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HOUSE OF COMMONS

Friday, June 20, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

FISHERIES ACT

REQUEST LEGISLATION BE AMENDED TO PREVENT POLLUTION OF WATERS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing importance.

In view of this week's controversial ruling by the Supreme Court of Canada that section 33(3) of the federal Fisheries Act is unconstitutional, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the government be directed to immediately prepare legislation to amend the federal Fisheries Act in such a way as to prevent the dumping of logging wastes directly into streams frequented by fish, provided that biological damage to fish stocks can be predicted in advance, and provided also that such authority will respect the constitutional right of the provinces to authorize and regulate logging operations on adjacent watershed areas.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

UNITED NATIONS—GLOBAL REFERENDUM ON DISARMAMENT—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of House of Commons Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the federal government recently created the position of ambassador for disarmament, and that Canada supported in principle the final document of the United Nations special session on disarmament in 1978 and also endorsed, with all other UN member states, the goal of general disarmament in 1961, and in view of the fact that disarmament must be achieved by the efforts of all governments negotiating through gradual and balanced steps, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House support a proposal for a global referendum on disarmament at the thirty-fifth session of the UN General Assembly, to be sponsored by the government of Canada, so that humanity can participate in the historic choice for a disarmed world.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONVENTION CENTRES

FUNDING OF CENTRE IN EDMONTON—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise on a matter of urgent consideration under Standing Order 43.

The government has acted preferentially and with political overtones with regard to its policy of funding assistance for convention centres. Therefore, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the federal government readjust its convention centre funding policy and announce immediately a grant for construction of the Edmonton convention centre.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

LANGUAGE TRAINING FOR EMPLOYEES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, last week I proposed a motion under Standing Order 43 which gained near unanimous approval, and Your Honour stated I might move it later. I wish to do so today.

I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker), the House leader of the Conservative party:

That this House urges the Committee on Members' Services to give positive consideration to making the language training presently available to members of Parliament available to employees of members of Parliament.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

FEDERAL-PROVINCIAL DISCUSSIONS ON INCREASED USE OF COAL—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Whereas the Minister of Energy, Mines and Resources (Mr. Lalonde) has stated that coal is an important part of the government's energy program, and whereas both western and eastern Canada have large deposits of coal, much of it being sulphur-free, and whereas central Canada is importing large volumes of coal, therefore, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House urge the Minister of Energy, Mines and Resources and other ministers in the Government of Canada to initiate discussions with their provincial counterparts in the provinces of central Canada with a view to working out a program to use more Canadian coal and thus keep the jobs and money involved in Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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STATUS OF WOMEN

CALL FOR EQUALITY BETWEEN MEN AND WOMEN IN JOB OPPORTUNITIES AND PENSION PLANS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I ask leave to move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House, noting the fine statements which have been made about the rights of women, statements which have not been followed by the taking of positive steps to establish and protect those rights, calls on the government to take affirmative action to establish equality for women in all phases of our economy, particulary in employment opportunities, access to adequate training and upgrading, equal pay for work of equal value, and equality between men and women in all pension plans.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1110)

ROYAL CANADIAN MOUNTED POLICE

IMPLEMENTATION OF RECOMMENDATIONS OF MARIN COMMISSION—CASE OF CONSTABLE BATES—MOTION UNDER S.O. 43

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, in view of the admitted need for rationalization and reform of RCMP internal regulations and procedures, the dissatisfaction being expressed by force members from different areas of the country concerning the lack of natural justice for members, and the four-year delay in doing anything of substance with the Marin commission recommendations, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Solicitor General personally examine the circumstances surrounding the background of a board hearing which took place in Halifax, Nova Scotia, yesterday involving Constable Donald A. Bates, who appears to be another of several members from that area arbitrarily selected for dismissal over a period of time and, more importantly, that he expedite the type of procedures and actions recommended by Mr. Justice Marin in his report of January, 1976.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL BUSINESS

ADEQUATE SUPPLIES OF PETROLEUM AT EQUITABLE PRICES FOR INDEPENDENTS—MOTION UNDER S.O. 43

Hon. Bill Jarvis (Perth): Madam Speaker, I rise pursuant to the provisions of Standing Order 43. Having regard to the special vulnerability of Canadian small businessmen who compose the independent fuel marketers of Canada, particularly those of Ontario and Quebec, I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the government issue, forthwith, a policy statement setting forth those measures which will be used to guarantee these independents access to adequate supplies of petroleum products at equitable prices.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONSUMER AFFAIRS

SAFETY STANDARDS FOR CHILDREN'S BICYCLES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43, and seconded by

the hon. member for St. John's East (Mr. McGrath), on a matter of pressing necessity to Canada's pediatricians, I move:

That the Minister of Consumer and Corporate Affairs investigate the escalating use of rear-fender bicycle seats for children, and that his department issue safety standards because of an alarming increase in serious accidents to these tots who are now largely unprotected.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

COST-SHARING OF TIDAL POWER PROJECT AT ANNAPOLIS RIVER CAUSEWAY—MOTION UNDER S.O. 43

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43.

Whereas the governments of Canada and Nova Scotia have concluded an agreement sharing the cost of the development of a tidal power project at the Annapolis River causeway in Nova Scotia—on which the official sod-turning ceremony will take place tomorrow—whereas this site is near the cradle of civilization on the North American shore, and whereas the potential of this pilot project could be Canada's cradle for world leadership in the development of tidal power, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House extend congratulations to the political leaders and officials who have made possible this demonstration of working federalism.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

RATIFICATION OF CANADA-U.S. EAST COAST FISHING AGREEMENT—MOTION UNDER S.O. 43

Miss Coline Campbell (South West Nova): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given that the Prime Minister will be meeting President Carter next week in Venice to discuss a number of bilateral issues, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House urge the Prime Minister to put forcefully Canada's case on the east coast fishing dispute so that the president can use his good offices to impress upon the United States Senate the need to ratify the fishing agreement with Canada as soon as possible.

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

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to this motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

FINANCE

INTEREST RATES CHARGED BY COMMERCIAL BANKS—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the Bank of Canada interest rates have again fallen and the gap widens between what the commercial banks are charging their customers and the Bank of Canada rate. When going in the opposite direction, the commercial banks are very quick to respond. I therefore move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That this House direct the Minister of Finance to contact his cronies in the banking community and instruct them to clean up their act.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

ENERGY

OIL PRICING AGREEMENT WITH ALBERTA—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of serious and urgent concern.

Whereas the Minister of Energy, Mines and Resources has failed to finalize an energy pricing agreement with Alberta, and whereas this could well mean a full year's delay in the development of the Alsands project at Fort McMurray and the Imperial Oil project at Cold Lake, at horrendous cost to the Canadian economy, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House direct the Minister of Energy, Mines and Resources to finalize by June 30 a pricing agreement with Alberta, the Alsands consortium and Imperial Oil for the production of synthetic crude, to allow these two huge developments to proceed on schedule.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

CONSTRUCTION OF ALASKA HIGHWAY NATURAL GAS PIPELINE

Hon. Erik Nielsen (Yukon): Madam Speaker, in the absence of both ministers responsible for answering questions relating to the Alaska highway natural gas pipeline, I shall direct my question to the Minister of Finance whom I know to be completely knowledgeable and familiar with pipeline-related matters.

The government has taken the position that there must be firm guarantees that the whole of the line will be built by 1985 before it gives approval to the construction of any of the Canadian portion. Can the minister tell the House, in addition to the existing legislation and the international agreement now in place what further assurances the government requires in order to permit the Canadian portions of the line to go ahead?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, at this point I am not in a position to advise the hon. member what further detailed assurances may have been requested by the minister responsible for the northern pipeline, but obviously, as the hon. member is aware, one of the necessities of the Government of Canada is to ensure the completion of the total line, as has been our objective from the beginning.

Mr. Nielsen: Madam Speaker, the government must surely be aware of the nature and extent of the assurances it is going to require before permitting the construction of the Canadian portions of the line. Has the government communicated the nature and extent of those assurances it requires to the United States government, in order to put them in the position of being able to acquiesce or otherwise to those assurances required by this government?

Mr. MacEachen: Madam Speaker, the hon. member knows that from the very beginning it had been the determination both of the United States government and the Canadian government to secure the completion of the gas pipeline. As my hon. friend knows, the Canadian government and the Parliament of Canada put this country in a position to have that line completed expeditiously.

Since that time, the arrangements, particularly the financing of the line, have not been completed in the United States. That certainly is at the very heart of the continuing assurances that are required and understood in the United States of the completion of this line.

Mr. Nielsen: The United States sponsors of the line issued a statement of intentions yesterday with respect to partial financing of the line. Do those assurances go to the extent of meeting the Canadian requirements? If not, should it not be the government's position to spell out the assurances required, in order to give approval to the Canadian sections of the line before the deadline expressed by the Canadian sponsors, who said yesterday that unless cabinet came down with a position the western leg of the line would be abandoned at the end of August?

Surely it is time for the government to stop groping and fumbling around on this issue and come out with a firm statement of the requirements in order that the Canadian sponsors can go ahead with the job.

Mr. MacEachen: Madam Speaker, there has been no groping on the part of the Government of Canada on this particular project from the original negotiations, from the passage of the law and from the setting up of the Northern Pipeline Agency. The Government of Canada has been in a position from the very beginning to accelerate the expeditious construction of the line.

• (1120)

I want to make it absolutely clear that there is no default on the part of the Government of Canada in the construction of the line, as inferred by the hon. member. The contrary is the case. We have been urging the United States government for quite some time to put itself in a position for this line to be built. May I tell my hon. friend, as I understand it, that the statement of intention made yesterday by the parties mentioned had to do, not with the over-all financing of the line itself but with the design of the line, which is quite a different matter.

ALASKA HIGHWAY NATURAL GAS PIPELINE—OIL PRICING AGREEMENT WITH ALBERTA

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my questions are supplementary to those which the hon. member for Yukon asked. They are also directed to the Minister of Finance because of his special knowledge in this area.

The minister indicated there has been no groping with regard to this natural gas pipeline. If there has been no groping, there certainly appears to be foot-dragging or at least some new conditions imposed by the federal government. It has been suggested that perhaps these new conditions, or this foot-dragging have to do with the oil pricing agreement.

With the government's desire to get its own way in the oil pricing agreement, would the minister assure the House that the government is in no way utilizing its regulatory authority over the Alaska highway natural gas pipeline as a club or to get its own way in terms of an oil pricing agreement with the producing provinces?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the determination of the Government of Canada to get ahead with this project stands apart from the current oil price negotiations. I do not think the hon. member is doing the project any service by inferring that foot-dragging is taking place on the Canadian side.

Mr. Nielsen: The ball is in your court.

Mr. MacEachen: There is absolutely no foot-dragging on the Canadian side. I think the company involved in the project would be the first to admit that there has been absolutely no default or failure on the part of the Government of Canada or the Northern Pipeline Agency. I do not think that our determination to have this line constructed enters into the current negotiations. One does not affect the other, as far as I am concerned.

Mr. Andre: The president of Foothills Pipelines (Yukon) Ltd. indicated that unless the cabinet responds with a positive decision by July 15, there will be at least a year's delay. If nothing is done by the end of August, there could be a delay longer than that.

Mr. Nielsen: Abandonment.

Mr. Andre: Abandonment, perhaps. Also, the cabinet has recently imposed conditions which the American sponsors of the line do not understand; they do not know how to respond to them. This is leading, naturally, to a conclusion that perhaps the federal government has some new strategy in mind.

If the minister is assuring the House that it is still progressively pursuing this pipeline, and the government is not linking it to oil pricing or to a gas export tax—which is something else that has been suggested—would the minister assure the House that there will be a favourable decision made prior to July 15, the deadline for commencement of work this winter?

Mr. MacEachen: The hon. member has introduced a new element into his questioning. Instead of talking about over-all construction of the line, he is now presumably asking us under what conditions we would authorize the pre-build.

The answer to that is quite simple, it seems to me. It is that the pre-build could only be authorized if the Canadian government were satisfied that the total line itself were to be constructed. It does not seem to be in the interests of Canada to construct the pre-build pipeline in order to push Canadian gas into the American market without any assurance that in the future American gas from Alaska will go into that market. That is totally in contradiction with the initial conception of this particular project.

● (1125)

Mr. Andre: Perhaps the minister could do everybody, including himself, a favour and indicate to the House what additional conditions are required above and beyond those in the act in order to complete the whole line. Perhaps we could commence work this afternoon.

Mr. MacEachen: Madam Speaker, that is a simple question to answer. When the Americans show the financeability of the line, which they have not been able to do, that would be the assurance required.

Some hon. Members: Hear, hear!

Oral Questions

CONSUMER AND CORPORATE AFFAIRS

HIGH INTEREST RATES CHARGED BY BANKS—GOVERNMENT INTERVENTION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. In light of the successive decreases in the bank in Canada and the fact that the banks have been reluctant to bring down the prime rate, especially for consumer lending and small business loans, and recognizing the fact that the interest rate spread is the highest it has been in recent history, can the minister explain why he has failed to act to prevent the banks from gouging the consumers the way they have been doing, as reflected by the very high profit pictures over the last little while, especially in view of the fact he made commitments in this House previously concerning this matter?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I do not agree at all with the premises of the hon. member's question.

[*English*]

Mr. Skelly: Madam Speaker, the minister may not agree, but many other authorities do. Can he say why he has failed to act on a matter that he discussed previously and made commitments on in this House with regard to bringing down interest rates charged by credit card issuers in this country, such as Chargex, Master Charge and the multinational oil companies which have all substantially increased their credit card interest rates?

In view of the falling cost of money now, does the minister agree the consumers are being exploited? Does he agree he made commitments previously, and what is he going to do to deliver some action?

[*Translation*]

Mr. Ouellet: Madam Speaker, surely the hon. member knows that the use of a credit card is an option which is offered to those who buy products; consequently, there is no interest incurred if the user of that credit card pays his bill within 30 days. It is only when the bill is paid late that interest begins to be added. Consequently, if the consumer finds that the charge for use of the credit card is too high, there is a very straightforward solution, which is to avoid using the credit card.

[*English*]

Mr. Skelly: Madam Speaker, my final supplementary is addressed to the Minister of Finance, who certainly cannot concur with the previous answer. Since, obviously, Consumer and Corporate Affairs will not be protecting the consumer, can the Minister of Finance explain his reluctance to build protective provisions into the Bank Act by which they would monitor and attempt to control these unjust and exploitive interest rate situations in Canada? Will he explain his reluctance in this matter?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there are at present before the standing committee the clauses affecting this particular proposal. I do not intend to repeat in the House the discussions that are going on in the standing committee on the Bank Act. I did depart from that position a short time last week, but I do not think it is good practice for us to repeat in the House what is going on in the standing committee.

Mr. Knowles: There is nothing going on.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FORUM FOR YOUNG CANADIANS

Madam Speaker: I would like to draw to the attention of hon. members the presence in our gallery of members of the Forum for Young Canadians which is today celebrating its fifth anniversary. Members know that the Forum spends weeks in Ottawa to intensively study the political process. In the course of five years they have turned out 1,800 graduates. I thought hon. members would like to wish them well in their endeavours.

Some hon. Members: Hear, hear!

* * *

● (1130)

CONSUMER AFFAIRS

SAFETY STANDARDS FOR CHILDREN'S BICYCLES

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. It concerns a matter of great importance to Canadian pediatricians, namely, the increasing use of unsafe rear-fender bicycle seats for children which is resulting in serious injuries to tiny tots who are completely unprotected should the rider lose control of the bicycle or should the bicycle be rammed from behind. Has the minister's department carried out any testing of these rear-fender seats to assess their safety?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am pleased to note the hon. member's interest in this matter. He has already informed the officials of my department of the urgency of looking into this and if possible to set standards with a view to better protecting children who go bike riding with their parents. I find the hon. member's concerns to be founded and I can assure him that the officials of my department will immediately undertake studies aimed at better informing parents who take their children with them on bicycle rides of the dangers inherent in such excursions and that they will try to set minimum standards of protection for children.

[*English*]

Mr. Scott (Hamilton-Wentworth): Far be it from me to suggest unwarranted interference by the government in people's lives, but I really do believe the state in this case has a role to play in the bicycles of the nation.

For the sake of our children, I wonder whether the minister would suggest to his departmental officials the possibility of making mandatory the fitting of guards to prevent children's legs being caught in the spokes, and the wearing of little helmets, if necessary, to reduce the likelihood of head injury to these children.

[*Translation*]

Mr. Ouellet: Madam Speaker, I share the hon. member's concerns and I can assure him that I will transmit his proposals and recommendations to the officials of my department who will certainly follow them up.

* * *

[*English*]

FISHERIES ACT

MEASURES TO PREVENT POLLUTION OF WATERS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans and is related to this week's ruling by Mr. Justice Martland that section 33(3) of the federal Fisheries Act is unconstitutional.

What steps has the minister taken in response to this Supreme Court ruling? How will the minister prevent the dumping of slash, stumps and other debris into streams frequented by fish while at the same time respecting the provincial right to make laws relating to logging operations in adjacent watershed areas?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I have not received a formal analysis of the consequences of the decision of the Supreme Court in this matter which was given this week. I might say that the provision which was rejected was voted unanimously by Parliament; it may have been drafted a little too broadly.

I will await the advice of the lawyers. Meanwhile, there are other provisions of the Fisheries Act which allow us to prevent serious damage to the habitat and to the environment, and we shall continue to use those powers. In my view, this situation probably underlines the need for a more rational approach to the competitive use of resources such as water—a policy I have advocated all along.

Mr. Siddon: I should like to pursue further the final remarks of the minister. It seems to me that by now the hon. gentleman will have fully reviewed the reasons for judgment and will have consulted with his colleague, the Minister of Justice, who is sitting to his left. So will the minister tell us whether the problem with section 33(3) arises from the principle of the powers as set out therein, apparently in conflict with section 92

of the British North America Act, or whether it arises merely because of the choice of phraseology in section 33(3) which, as the minister has indicated, appears to give very broad powers to federal fisheries officers without placing upon them the responsibility of proving the likelihood of damage to fish habitat?

Mr. LeBlanc: Madam Speaker, the presence of the Minister of Justice in his seat very close to me at the moment was about to allow me to have a word with him concerning this question. I have asked the legal officers of my department about it but, of course, I will want to hear the views of the Minister of Justice and have his co-operation also in his other role as minister responsible for federal-provincial relations.

I do not have the advantage enjoyed by the hon. member, that of having a nicely-written question before him, but I can tell him that my interest in this matter is no less than his.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

GARRISON RIVER DIVERSION PROJECT—MONITORING OF CONSTRUCTION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Secretary of State for External Affairs. In January of this year I received assurances from officials of Environment Canada in Regina that our consular officials would be on site to monitor engineering studies and land acquisitions in the New Rockford section of Garrison. Has the hon. gentleman been assured by his consular officials that there is no Garrison diversion construction under way which will affect Canadian waters?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have not yet received such an assurance from my officials, but I can tell the House that further to our discussion of this matter in the House yesterday, our ambassador in Washington sent a letter to the subcommittee dealing with the appropriations rider and enclosed a copy of our tone to the United States government.

Mr. McKenzie: The minister said he has received no assurance from his officials. Can he tell the House whether there are any of our consular officials down in North Dakota now, monitoring construction work? I should also like to point out that Governor Link, of North Dakota, a Garrison supporter and friend of President Carter, has been calling for more funding for the project. Would the minister comment on the likelihood that the U.S. elections are coming into play on the Garrison issue?

Mr. MacGuigan: I would not want to comment on the U.S. elections, but obviously that is a factor. I will have to get the information the hon. member asks for and report to him.

ILLEGAL BOARDING OF "RAINBOW WARRIOR" AND ARREST OF CANADIANS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Secretary of State for External Affairs. In view of press reports of the apprehension of Greenpeace anti-whaling vessel *Rainbow Warrior* in international waters yesterday and the holding at gunpoint and interrogation of a CBC cameraman and reporter, I should like to ask the minister whether he has yet received official reports of this incident and whether he has protested the illegal boarding of the vessel and the arrest of Canadian citizens.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I can confirm that the report is true. According to the information we have received, the Greenpeace ship has been taken to the Spanish harbour of El Farol. We are endeavouring to get further information. It is too soon to make a protest, but if a protest is appropriate we will make it in due course.

Mr. Rose: Since this latest incident involving a Greenpeace vessel amounts to piracy on the high seas and is reminiscent of Captain David McTaggart's experience during the French nuclear tests when his vessel, *Greenpeace II*, was boarded by the French navy in the South Pacific about ten years ago, and bearing in mind the length of time it took Canada to finally espouse his cause, as was done belatedly, will the minister on this occasion, if the facts warrant it, protest immediately in the strongest terms to the government of Spain about this very grave matter?

Mr. Nielsen: Olé!

Mr. MacGuigan: I can assure the hon. member we shall certainly do what the facts warrant. It is not yet clear to us whether the seizure was made on the high seas; it may well have been made in Spanish territorial waters.

* * *

[*Translation*]

ENERGY

NEGOTIATIONS ON REDUCTION OF CRUDE OIL IMPORTS

Mr. Jean Lapierre (Shefford): Madam Speaker, my question is directed to the right hon. Prime Minister.

Last year, in Tokyo, Canada committed itself to take all necessary steps to limit its oil import level to 150,000 barrels a day. Next week, in Venice, will the Prime Minister be able to announce that Canada has met its commitment?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I can assure the hon. member for Shefford and the House that Canada has fulfilled its commitment in 1979 and that, on the basis of currently available figures, we expect to be able to adhere to it again in 1980.

• (1140)

[*English*]

METRIC CONVERSION

EFFECT ON AGRICULTURAL INDUSTRY

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I have a question for the Minister of State for Small Business. It relates to the metric changeover issue in the agricultural sector and particularly the mandatory aspects relating to cattle producers, who are deeply concerned about the impact of this metric policy as it affects our beef and live cattle trade with the United States.

In view of the fact that all such export cattle trade begins at our country auction markets, and that those are sales on a weight basis, will the minister give serious consideration to allowing the cattle sector to remain on a voluntary basis with respect to the metric conversion policy?

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, as far as I know, the cattle sector of the agricultural community is still on a voluntary basis.

Mr. Hargrave: Madam Speaker, that of course applies to most of the sectors which have not changed yet. I am sure the minister is aware of that. Would the minister responsible for metric conversion support an approach to the United States which would establish an agreement or treaty which would allow for metric conversion only when both countries agree to proceed together?

[*Translation*]

Mr. Lapointe (Charlevoix): Madam Speaker, I feel that the hon. member's suggestion is excellent. It is essential that our effort to convert to the metric system be as much as possible in line with what is being done in the United States.

* * *

[*English*]

ENERGY

USE OF DOGS TO DETECT OIL AND GAS LEAKS

Mr. Gordon Taylor (Bow River): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources my question is directed to the Prime Minister. I am going to say a few words and then excuse myself from asking a supplementary question.

Madam Speaker: That just will not do. The idea is to ask brief questions at all times.

Mr. Taylor: We have some 200,000 miles of pipelines and we are losing a lot of gas and oil through leaks. Dogs from the Avery Kennels in Alberta were able to detect ten leaks in 30 miles of gas line after a helicopter and electronic flamepacks failed to find these leaks. I think there is a tremendous chance for conservation of gas and oil.

Madam Speaker: Order, please. I sense that the hon. member is just about to ask his question. I think he should do so.

Mr. Taylor: Yes, I am Madam Speaker. There is a tremendous chance for the conservation of gas and oil through the use of dogs. Will the government consider giving some help to the development of the adequacy of dogs to detect gas and oil leaks?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, now that I have the assurance that there will not be a supplementary, I would say that is a "doggone" good question.

Some hon. Members: Hear, hear!

* * *

FISHERIES

PROTECTION OF FISH HABITAT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of Fisheries and Oceans. It relates to Tuesday's Supreme Court decision which ruled that parts of the Fisheries Act regarding the protection of fish habitat were ultra vires, a decision based on infringement of provincial rights.

In light of the threat which now exists to fish habitat in estuarine areas of British Columbia which are under federal jurisdiction, I ask the minister what plans he has to protect fish habitat in estuaries.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, as I indicated to the previous questioner on this issue, the change in the legislation was brought about some three years ago. It was felt that it strengthened the Fisheries Act and that it added more clout to it. But I have to tell the hon. member that even with that section being taken away, the Fisheries Act still remains a very powerful piece of legislation to protect fish. It was really the other provisions which were used by my predecessors to effect some rather important decisions. There are other sections which are open to us.

We are now waiting to see if the section being redrafted could, in fact, be reintroduced in this House. I am getting legal advice from my colleague and from the legal people in my own department. But I assure the hon. member, and, through him, the fishermen of this country, that the habitat of fish is not totally threatened. Perhaps the protection is a little weaker than the protection we had, but we will use the other provisions and await the judgment of the courts on those items which can be used.

Mr. Manly: Madam Speaker, in light of strong evidence indicating that the Cowichan estuary task force will recommend increased industrialization of the Cowichan estuary, will the minister table the submissions and recommendations his department made to the Cowichan estuary task force, and will he act now to reassure the people of Vancouver Island that he will protect the Cowichan estuary from further degradation by industry?

Mr. LeBlanc: Madam Speaker, I will certainly make available any documentation I have on this issue, as we did in the case of the McGregor diversion, where the evidence produced by the experts from my department and the Department of the Environment was so impressive that the project was abandoned without further hearing because it was seen that the negative aspects were absolutely obvious and overwhelming.

I have not yet seen the final report on the Cowichan estuary. I hope to discuss this matter when I am out in British Columbia next week, but obviously I will make public any document we have which supports the case of good conservation and good habitat protection.

[*Translation*]

LAY-OFFS IN CRAB INDUSTRY IN QUEBEC—REQUEST FOR INTERVENTION BY MINISTER

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. The minister is doubtless aware that the Quebec and maritimes crab industry is going through a severe crisis and that some plants will have to close down within coming weeks. Can he tell the House whether he will intervene personally to prevent lays-offs in processing plants and ensure an adequate income to the crab fishermen of eastern Canada?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I am aware of two problems at this time which are perhaps less dramatic than the hon. member seems to indicate. In some cases the quality of crabs known as white crabs poses a problem to the rate of production of some plants. There is also a slight softening of the American market as a result of the slow-down in the American economy. At this point, the situation does not seem to be as critical as some newspapers would have us believe. In any event, the Fisheries Prices Support Board is now examining that file and I shall report to the hon. member in due course.

* * *

[*English*]

MINES

TAX INCENTIVES FOR USE OF COAL IN POWER GENERATION

Mr. Bill Yurko (Edmonton East): Madam Speaker, my question is for an attractive minister, and it is not the Minister of Finance. My question is for the Minister of State for Mines. Canada now imports 20 million tons of coal annually—that is, coal and metallurgical coke—worth approximately $1 billion every year. This is having severe and adverse effects on Canada's balance of payments. The minister has said that she was evolving new policy in connection with the mining industry. When will the minister and the government evolve and announce a package of tax incentives to increase the competitiveness of using Canadian coal in Canada, and particularly central Canada, for power generation and for Canadian industry in total and, therefore, consume less oil in central Canada?

Hon. Judy Erola (Minister of State, Mines): Madam Speaker, I thank the hon. member for his question. He appreciates, of course, the fact that this is a very complex issue and that it will take a considerable amount of time to complete the package. I assure him, however, that we are working in our department on this very issue and we hope within approximately six to seven months to have some idea as to the direction in which we are heading.

● (1150)

I should like to add that we are meeting with members of the mining industry next Tuesday and expect to have considerable input from the industry then.

Mr. Yurko: Madam Speaker, I have a supplementary question. I should like to assure the minister that it is not totally complicated. Indeed, all it takes is political will and courage to do something about the situation in Canada with respect to the importation of coal.

Mr. Baker (Nepean-Carleton): Right on.

Mr. Yurko: When will the minister prevail upon her fellow ministers in government to initiate and/or increase the transportation subsidies to increase the use of Canadian coal from eastern and western Canada for power generation in the province of Ontario? Can she give us an idea when she will tackle this particular problem?

Mrs. Erola: Again, Madam Speaker, this is a very complex issue because, as the hon. member knows, the burning of coal has the side effect of acid rain, which is something we must all consider very carefully. Indeed, we must question whether the increase of coal-burning generating stations is advisable in this particular region. So that is also under question.

Oral Questions

ENERGY

NEWFOUNDLAND—TRANSMISSION OF HYDROELECTRIC POWER THROUGH QUEBEC

Hon. James A. McGrath (St. John's East): Madam Speaker, earlier this week the Minister of Energy, Mines and Resources met with his Quebec counterpart. My question is for the Prime Minister and it is a "doggone" good one.

Following that meeting, the Minister of Energy indicated that he favoured a reopening of talks between Newfoundland and Quebec with respect to the transmission of Labrador hydroelectric power through Quebec. Yet the government of Quebec placed conditions on the reopening of these talks which are totally unacceptable to Newfoundland. Therefore, my question to the Prime Minister is this: is the government prepared to recognize the constitutional rights of the province of Newfoundland to transmit its hydroelectric power through the province of Quebec, just as western provinces have the right to transmit their gas energy by pipeline through the province of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it has always appeared to me that such a right existed, that it is part of the so-called trade and commerce powers of Canada being one economic country, and that provinces cannot be inhibited from selling their produce in other parts of the country. That is the constitutional doctrine in which I have always believed. But for greater assurance, the hon. member is aware we are proposing amendments to the constitution which will guarantee, as a basic right in a declaration of rights, the free movement of not only people and ideas across provincial borders but goods and services. So this is the constitution as we think it is now, but for greater assurance we are hoping it can be amended in the way he indicated.

Mr. McGrath: Madam Speaker, I am glad to hear the reassurance of the Prime Minister that the present constitution provides the federal government with the power to allow for the building of a corridor through a province for the transmission of hydroelectric power to another province. Therefore, I have a supplementary question.

In view of the fact that talks have broken off, why has the Prime Minister not acted upon the formal requests of the Premier of Newfoundland on April 16, advising him that these talks have broken off, to exercise his authority on behalf of the province of Newfoundland to provide for a corridor through Quebec for the transmission and potential sale of Newfoundland hydroelectric power to customers in New York and Ontario?

Mr. Trudeau: Madam Speaker, I would think that such action would only be possible if Newfoundland had the contract for the sale of its power to some other part of the country, and if Quebec were imposing unreasonable charges in the transfer of that power in the sense that it would constitute some kind of tariff or barrier which would be constitutionally inadmissible. I have had no evidence as yet of either of those two conditions being met.

AGRICULTURE

REQUEST FOR INCREASE IN INITIAL PRICE OF BARLEY

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Employment and Immigration in his capacity as spokesman for the Minister of Transport who is not in the House today.

I am sure the minister is aware of the actions taken by the Minister of State for the Canadian Wheat Board authorizing the issuance of permits for the importation of feed grains. This has caused some concern to the Western Barley Growers' Association because of the fact the prevailing Canadian Wheat Board initial price for barley is $1.95 per bushel, while the market price is in the order of $3 per bushel, thus discouraging deliveries to the Canadian Wheat Board.

Would the minister undertake to recommend to his colleague in the other place the immediate upward adjustment of the initial price of barley, to encourage deliveries from farms and barley held in storage into the system so that these supplies could be met? My understanding is that statistics of the Canadian Wheat Board reveal that there are some 2.5 million tonnes of barley on the farms. This would help alleviate the situation and the hard-pressed financial position of producers.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would be very pleased to communicate that message to the Minister of State for the Canadian Wheat Board. As the hon. member knows, at the present moment the decision by the Wheat Board is to permit barley to be sold out of country elevators at going competitive prices. If there is further upward adjustment, that will be considered by the Wheat Board, and I will make sure the minister responsible knows about it right away.

Mr. Mazankowski: Madam Speaker, I am sure the minister is well aware that many farmers wish to sell to the Canadian Wheat Board. Because of the low initial price vis-à-vis the actual current prevailing price, it discourages these producers from moving. Would the minister impress upon his colleague in the other place the importance of that, particularly now, so that our supplies are in order?

Mr. Axworthy: Madam Speaker, as the hon. member probably knows, this is a matter of ongoing concern to the government. A cabinet committee is meeting constantly to revise and adjust its programs relating to drought conditions in western Canada. At the first opportunity at that meeting I will transmit his concerns to the Minister of State for the Canadian Wheat Board.

ENERGY

TRANS MOUNTAIN PIPELINE—TRANSPORTATION OF ALASKAN CRUDE OIL—ENVIRONMENTAL SAFEGUARDS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I have a question for the Prime Minister. In the talks and correspondence with Trans Mountain Pipe Line officials regarding the use of their facilities to transport Alaskan crude, I should like to ask the Prime Minister what environmental safeguards have been discussed in relation to this project.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not aware of any recent talks. I have not been informed of any recent exchanges on this particular point. As the hon. member knows, this government has always expressed the hope that Trans Mountain would not be the preferred route, but a parallel line along the Foothills line for gas would be built to transmit oil from Prudhoe Bay to the United States. That is still our preferred course.

Mr. Friesen: Madam Speaker, I have a supplementary question. The Prime Minister seems clueless about it now, but he certainly talked a lot about it during the campaign. For my constituency, this proposal would be an improvement over some of the other proposals that have been talked about, because it would get ships out of the inland waters. It would mean that not only tankers but supertankers would come down the coast. In light of what the Prime Minister said during the election campaign, what is the level of commitment of the Liberal government toward stopping the tankers coming down the west coast?

Mr. Trudeau: Madam Speaker, the hon. member is agreeing with the position we took during the campaign. It was to the effect that the all overland route should have been pushed by the Conservative government as it was pushed by our government.

Mr. Nielsen: Which is what we did.

Mr. Trudeau: It is still our hope that this will be the route which will succeed. I am just informing the hon. member that I am not aware of any current information on that matter. I would have to defer to the minister.

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SUPPLY AND SERVICES

CONTRACTS WITH SPACE RESEARCH CORPORATION

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I should like to continue my questioning of Tuesday concerning the Space Research Corporation with the Minister of Supply and Services and the Minister of Justice and Minister of State for Social Development. The Space Research Corporation is the body that is pushing its wares at the secret armaments conference being hosted by the Canadian Government next week at the Government Conference Centre.

• (1200)

I would like to ask the Minister of Supply and Services, since he said he would look into the matter for me when he replied on Tuesday, whether there are any government agencies or departments currently holding contracts with Space Research Corporation.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, there are indeed a number of agencies which are dealing with Space Research. Canadian Arsenals Limited, which is responsible to Parliament through me, has been dealing with Space Research in the past. I might indicate to the hon. lady that I have already asked for the preparation of a written reply for her, which should be coming to her within two or three days. Because the list is quite detailed, I think it would be more informative through that means of communication.

Madam Speaker: I recognize the hon. member for a short supplementary question.

Miss Jewett: Madam Speaker, I would say to the minister that I hope the list will be available soon, as the secret conference begins on Tuesday.

Some hon. Members: Question.

Miss Jewett: The Conservatives are not concerned about Space Research Corporation, but we are.

An hon. Member: You are a day late. We asked about it yesterday.

* * *

ADMINISTRATION OF JUSTICE

RCMP REPORT ON SPACE RESEARCH CORPORATION

Miss Pauline Jewett (New Westminster-Coquitlam): I would like to ask the Minister of Justice, if I may, why it is that the report of the RCMP, long since done, concerning Space Research Corporation which as the minister knows has been convicted in the United States of illegally shipping arms to South Africa, has not been produced. I would ask whether he intends to keep this report of the RCMP secret and, if not, when he will release it.

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, according to the information I was able to obtain in that regard, the case of that company is now before Canadian courts. It therefore would not be in the interest of justice to table, at this time, the police report which led to legal proceedings.

[*English*]

Mr. Cullen: Madam Speaker, I have a question for the Minister of Employment and Immigration, but perhaps I will ask it on Monday.

* * *

SPORTS

DISBURSING OF FUNDS FROM LOTTERIES

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the minister of sport. I think he is still the minister of sport, though we have not seen him here for about a week. It is my understanding that the sport department is virtually bankrupt, and the cultural and artistic communities seriously require money for symphonies and little theatres.

Would the minister advise the House whether he is going to deposit the provincial government cheque he has received from the lotteries and disburse the funds accordingly? Since he is going to be getting another cheque on June 29 which will amount to $12 million, plus the incremental $250,000, will he please see that these communities get the moneys accordingly?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for his keen interest in the financial welfare of sport in this country, though I think sport would have been in a much better situation financially if he had not become party to the most disastrous piece of negotiation since the Brooklyn Bridge was sold.

Some hon. Members: Oh, oh!

Mr. Regan: I want to remind the hon. member that Loto Canada was netting $80 million a year, and he became a party with two other ministers in signing an incomplete agreement that has no time limit at all—so it may not be an agreement at all—whereby he gave away Loto Canada to the provinces and in return we received $24 million. That is a great piece of bargaining. I would say! If we are in any difficulty in relation to the flow of cash at the moment—

An hon. Member: You cut it all off.

Mr. Regan: —in supporting athletic events in this country, then I say the responsibility lies very close to the hon. gentleman who is asking the questions.

An hon. Member: Of the $24 million, you haven't spent a nickel. You cut everybody off and that is giving them concern.

ROUTINE PROCEEDINGS

[*English*]

FITNESS AND AMATEUR SPORT ACT

AMENDMENT RESPECTING DEFINITION OF "AMATEUR SPORT" AND "FITNESS"

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development) moved for leave to introduce Bill C-607, to amend the Fitness and Amateur Sport Act (definition of amateur sport and fitness).

Some hon. Members: Explain.

Mr. Robinson (Etobicoke-Lakeshore): Madam Speaker, the present act and regulations thereunder unduly restrict governmental encouragement of fitness and amateur sport in Canada to athletic activity, which connotes physical exertion as opposed to mental skill. Activities combining mental skill with a degree of physical effort should be included within the ambit of the act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 155, 208, 255, 771, 819, 820, 894 and 896.

I would ask that the remaining questions be allowed to stand.

[*Text*]

MAJOR GENERAL DONALD McNICHOL

Question No. 155—**Mr. Cossitt:**

1. Is the government aware that Major General Donald McNichol, Commander of Canada's Air Defence Group, was quoted in news reports on Thursday, March 27, 1980 to the effect, that a war with the Soviet Union seems imminent and, if so, does this represent the policy approach of the government and, if not, does the government intend to ask Major General McNichol for full information illustrating his conclusion?

2. Is the government aware that Major General McNichol was quoted in part as saying that "our air defence system is at least 25 years old. We're working in the 1980s with 1950 equipment" and, if so, does such a statement represent government policy and what steps will the government take to update equipment for the Armed Forces?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. The government is aware of the news reports which quoted Major General McNichol. Neither the government nor the Department of National Defence believe that a war with the Soviet Union is imminent. The

matter has been discussed with Major General McNichol and the Minister of National Defence considers it to be closed.

2. The quote "our air defence system is at least 25 years old. We're working in the 1980s with 1950 equipment" is inaccurate and misleading. The continental air defence system is composed of various sub-systems and components: e.g. radars for warning, surveillance and control purposes; interceptor aircraft; and command, control and communications facilities. Some of the equipment is relatively modern and efficient, but some is indeed more than 25 years old. The Department of National Defence will continue to implement the government's policy of replacing and modernizing the equipment of the Canadian forces to maintain and, where necessary, enhance capabilities needed for national and collective defence, and will, in accordance with this policy, develop jointly with the United States appropriate programs for modernization of the North American Air Defence System.

CANADIAN NATIONAL RAILWAYS—CROWN ASSETS DISPOSAL CORPORATION—SALE OF SURPLUS EQUIPMENT

Question No. 208—**Mr. Herbert:**

What was the total amount recovered by (a) Canadian National Railways (b) Crown Assets Disposal Corporation for the sale of surplus equipment in (i) 1975 (ii) 1976 (iii) 1977?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Supply and Services and Transport as follows; in so far as Canadian National Railways is concerned:

(a) The best estimate of these amounts is:

(i) $13,313,622

(ii) $14,647,961

(iii) $15,755,938

The major cash recoveries in this respect are from sales of ferrous and non-ferrous scrap generated at our reclamation yards through the dismantling of retired property and equipment, and from unusable components scrapped at maintenance shops. These sales, together with the proceeds of sales or retired rolling stock, aggregate the following amounts in the years in question:

$11,913,622 in 1975

$13,247,961 in 1976

$14,355,938 in 1977

Of these latter amounts about 90 per cent is derived from sales of scrap. Those figures do not include proceeds from other miscellaneous sales, such as retired highway vehicles, scrap office furniture and equipment, waste paper, other properties, etc. System summaries of data relative to such sales are not readily available; however, on the basis of an analysis of a representative sample of such data, it appears that the addition of about $1.4 million per year should be made on those accounts.

In so far as the Crown Assets Disposal Corporation is concerned:

(b) The following amounts include aircraft, ships, automotive vehicles, spares, major equipment and sundry merchandise.

(i) $ 7,259,069

(ii) $ 8,531,494

(iii) $10,789,903

MR. RALPH STEWART—CONSUL GENERAL IN ATLANTA

Question No. 255—**Mr. Herbert:**

1. Did the government appoint Mr. Ralph Stewart as Consul General in Atlanta and, if so (a) on what date (b) what was the term of the appointment (c) what is the salary of the position?

2. What was the cost of maintaining the Consul General's office in Atlanta in each of the past five years?

3. What are the principal functions performed by the personnel in the office?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Mr. Stewart was appointed as consul general in Atlanta by the previous government:

(a) September 6, 1979;

(b) Undefined period;

(c) The salary of the position is within the range of $42,800 to $49,800.

2. In so far as the Department of External Affairs is concerned the cost of maintaining the consul general's office in Atlanta over the past five years is as follows:

Fiscal Year	Cost
1978-79	$1,402,839*
1977-78	562,365
1976-77	496,753
1975-76	426,016
1974-75	369,955

*Figure includes purchase of properties to house consul general and 5 other Canada-based employees at a cost of $731,170.

3. The 30 personnel of the consulate general in Atlanta are responsible for implementing the Canadian Government's programs in the fields of: trade and industrial development; tourism; consular affairs, and general relations in a territory comprised of Puerto Rico, the U.S. Virgin Islands and the states of Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississipi and Florida. They are also responsible for implementing the immigration program in all of the above territory except for Puerto Rico and the U.S. Virgin Islands.

FERTILIZER COMBINES HEARING—PRICE FIXING

Question No. 771—**Mr. Thomson:**

1. In the Fertilizer Combines Hearing carried out in 1979, how many manufacturers were involved in the accusation of price fixing?

2. How many days did the (a) preliminary hearings (b) trial take and, what was the total cost in each case?

Order Paper Questions

3. What basis did the Combines Branch have for the accusation of price fixing?

4. On whose advice and on whose authority does the Combines branch bring a case to trial, such as the Fertilizer Combines Hearing of 1979?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Six manufacturers of fertilizer were charged. In addition, there were 12 unindicted co-conspirators named in the charge.

2. (a) 48 days, $180,705.57 (incl. necessary preparation)

(b) 150 days, $522,537.60 (incl. necessary preparation).

3. The director of investigation and research conducted a lengthy and detailed inquiry under the provisions of the Combines Investigation Act resulting in the seizure of over 15,000 documents, the taking of sworn oral evidence from employees and officers of the firms involved, and the securing of market share and production data in the form of sworn returns of information from the manufacturers. Based on an analysis of all of the evidence, the director referred the inquiry to the Attorney General of Canada, pursuant to section 15(1) of the Combines Investigation Act, with a recommendation that a prosecution be undertaken.

4. Once the results of an inquiry have been referred to the Attorney General by the director of investigation and research, it is the Attorney General's responsibility to independently assess all of the evidence and, having done so, to make a decision as to whether or not a prosecution may be warranted. The result of the Attorney General's review in the fertilizer case was a decision to prosecute. All cases referred to the Attorney General by the director follow this pattern.

VETERANS AFFAIRS—STUDIES RELATED TO MARIJUANA

Question No. 819—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of Veterans Affairs?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): None.

EMPLOYMENT AND IMMIGRATION

Question No. 820—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of Employment and Immigration?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): None.

CANADA PENSION PLAN FUND—LOANS

Question No. 894—**Mr. Cossitt:**

1. (a) What is a list of all loans made from the Canada Pension Plan Fund in each of the past five years (b) what is the total for the five years (c) in each case, to whom was the loan made, what was the interest rate and how did it differ from the average interest rate in existence at the time?

2. Is it, or has it been, the policy of the government to allow borrowing from the fund at interest rates much lower than in the private market?

Hon. Pierre Bussières, Minister of State (Finance): 1. The information sought by the hon. member is equally accessible to him, being reported annually in the Public Accounts of Canada. Various investment dealers provide data on market yields of federal, provincial and corporate bonds.

2. Section 113 (2) of the Canada Pension Plan prescribes the interest to be paid on funds loaned from the Canada Pension Plan. The amount of interest received and the weighted average rates are reported in the Public Accounts of Canada.

AIR CARRIERS—ATLANTIC PROVINCES

Question No. 896—**Mr. Howie:**

Was a subsidy paid to air carriers operating in the Atlantic provinces in the fiscal year (a) 1977-78 (b) 1978-79 (c) 1979-80 and, if so, in what amount and to whom?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

(a) yes	Eastern Provincial Airways (1963) Limited $1,700,000
(b) yes	Eastern Provincial Airways (1963) Limited $1,700,000
(c) yes	Eastern Provincial Airways (1963) Limited $1,510,148

NOTE: Included in the above figures are amounts pertaining to services between Iles-de-la-Madeleine, P.Q. and Charlottetown, P.E.I.

[*English*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

REGIONAL DEVELOPMENT INCENTIVES ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Minister of Regional Economic Expansion) moved that Bill C-35, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I have the privilege and the honour to represent the minister in the introduction of Bill C-35 this afternoon for second reading. As the parliamentary secretary, I wish to indicate in respect of Bill C-35 that I will be brief in my remarks as I know full well

how pressed we are for time in this House. I also know that the act before us is not strange to most hon. members. It, therefore, needs little introduction on my part. However, I would like to explain why the government is seeking an extension to the Regional Development Incentives Act at this time.

While I suggested that most of you are familiar with the program of incentives to industry of the Department of Regional Economic Expansion, applicable in the slow growth regions of Canada, I am equally sure many of you are less familiar with the fact that there is an expiry date to the legislation covering this program. Under the current legislation, assistance is limited to projects which go into commercial production by December 31, 1981. The fact that the current legislation will expire in 18 months, unless we do something about it, is already having an adverse effect on DREE's industrial incentives program.

Large scale projects take time to develop, time to plan, as they involve millions of dollars, time to build facilities and time to reach commercial production. We are running out of time. DREE officials already are having to reject applications because proposed projects will not come into production by the end of the year 1981. I need not tell any of my colleagues in this House what this means to those parts of Canada where this development would have taken place. These areas of our country need the kind of industrial development this program has brought about. That is why you are being asked to extend the Regional Development Incentives Act for five years.

In the past ten years the industrial incentives program has generated more than $2 billion of development by private enterprise, and is expected to generate another $2 billion from projects still under way. Some $4.3 billion worth of development has been brought about, or will occur, through $800 million in federal government incentives.

● (1210)

With these incentives the Government of Canada has brought investment dollars to those parts of the country where they are really needed. And, probably more importantly, we have created jobs with these incentives. Almost 150,000 actual or projected long-term jobs can be attributed to projects supported by DREE's industrial incentives program. That is to say nothing of the many thousand of jobs indirectly created or maintained which, while they cannot be calculated, are nevertheless equally real.

This legislation cannot wait until the comprehensive review of DREE is completed and a legislative package can be placed before the House for consideration. As I said earlier, we cannot wait until then. The new DREE legislation may be introduced some time in the autumn of this year. I can tell hon. members that the minister and the ministry are working diligently to fine tune with precision the new legislative program and that we will all have an opportunity to debate the proposed legislation for the over-all operation of DREE when it is introduced.

However, with respect to Bill C-35, we have a successful program with proven effectiveness, but unless we act swiftly, it will quickly cease to be so. The reason that it is necessary to extend the act for five years can be briefly explained by illustrating some of the requirements. As I mentioned earlier, the planning of a project, including a feasibility analysis and location studies, can take one year or two. Construction of the plants and installation of the equipment can take another 18 months to two years. Add to this a further three or four months of running until commercial production is reached, and I am sure that all hon. members will agree with the reasons for which we are requesting an extension of time.

The passage of the amendment to the Regional Development Incentives Act which is before us at this time will permit the continuation of a program that is a powerful weapon in the government's arsenal for the fight against regional disparity. As Parliamentary Secretary to the Minister of Regional Economic Expansion, I know from my work with the department how effective the regional development incentives program has been in promoting regional development in those parts of Canada where it is most needed.

As a representative in this House of one of these areas, I know from first-hand experience the impact this program can and does have. I have seen that it does help to create job opportunities and encourage capital investment. In my province of New Brunswick alone, more than 10,000 jobs can be directly related to RDIP assisted projects. In addition, the program has generated investments of almost $290 million, investments by private industry which can help maintain the viability of our communities. This last point is an important one to me: this program has meant that there are both jobs and economic development where they are needed, at home. People do not have to go down the road to some industrial metropolis to find work.

Regional development and the reduction of economic and social disparities are the goals of the Department of Regional Economic Expansion. Through the regional development incentives program and the cost-shared, federal-provincial activities under the general development agreement, as well as other programs, DREE is working to meet these objectives.

The regional development incentives program is, as I have said, but one of the instruments at DREE's disposal for fighting regional disparities. However, it is an important one, for through it the department can work directly with private enterprise and promote development which can have meaningful results for the millions of Canadians living in those parts of the country that are designated as requiring special assistance—meaningful results such as those I mentioned when I spoke of the program's achievements in my home province of New Brunswick.

These kinds of results can be seen all across our country, from the Atlantic to the Pacific. In the Atlantic region more than 29,000 jobs are expected from the RDIP assisted projects with investments totalling almost $790 million. In Quebec 85,000 jobs and investments of $2.3 billion have been created. In northern Ontario, almost 12,000 jobs have been created with investments of $468 million. In western Canada and the north there have been almost 25,000 jobs created with invest-

ments of $815 million. Altogether, more than 150,000 jobs have been created and $4.3 billion has been invested by private industry. These are jobs and industrial development in those parts of Canada where it really matters, its regions. Strengthened regions mean a stronger Canada.

Too often we forget that regional development programs must be seen in broad terms. The whole country benefits when Canada is made stronger through its regions. It is to this strengthening of Canada's economic base in those areas where it is needed that DREE's industrial incentives program is dedicated. Together, they form DREE's regional development incentives program, a program which has, in my opinion, a remarkable success record. Some 90 per cent of the projects undertaken through the program are successfully completed. To me this shows a good use of taxpayers' dollars.

In the past ten years some 6,000 projects have been assisted under the regional development incentives program. These are projects in a wide variety of industrial sectors, ranging from the food industry to textiles and clothing, from fish processing to metal fabricating, and from the chemical industry to the furniture industry. More than 80 per cent of these projects have been with small businesses, businesses that needed financial assistance in the form most often provided by the program. These grants provided funding when it was most needed and helped many worth-while projects get off the ground.

In many cases these projects did more than merely get off the ground; they achieved results that were even better than first projected. I have already indicated that more than 80 per cent of the projects have involved investment costs of less than $2 million or 100 jobs. These are projects which are approved locally and which are often initiated by local entrepreneurs. In western Canada one will find that this program has had the same effect. I think that all hon. members will clearly agree that this is a program which is attuned to regional needs and designated to attract successful and viable industries, that it is administered by people who are good judges of the kinds of projects which will be successful.

However, I am sure that these people will be the first ones to agree the DREE cannot rest on its present performance to date, albeit a department which is celebrating its tenth anniversary as a department this year. In order for the regional development incentives program to be as effective as possible, it will be necessary for DREE to work even more closely with industry and tailor its programs to those industries which have not been attracted by the program to Canada's slow growth regions. Increased flexibility and a more active approach will, no doubt, be essential considerations for the minister as he puts together the broader department-wide legislative package he proposes to place before the House at a later date.

As hon. members know, the minister recently tabled regional objective working papers in the standing committee and, indeed, has commenced in a very serious way the preparation of the broader legislative package to introduce to this House which I referred to earlier. However, today we must consider the amendment to the Regional Development Incentives Act which is before us. As it has been said, we cannot wait for the introduction of the proposed legislation. In order for the regional development incentives program to continue its contribution to reducing regional disparities, we must act now.

I would like to point out to the House a number of factors which should permit DREE's industrial incentive program to be especially effective at this time. These are: one, the increased climate of stability in Canada; two, the edge in foreign markets provided by the value of the Canadian dollar; three, the availability of Canada's energy and natural resources; four, the improvement of Canada's labour force in terms of its skills and expertise; and five, the spill-over expected from major undertakings in the 1980s in various parts of Canada in energy and resource development, aircraft and electronics, and so on.

• (1220)

Furthermore, given the construction periods required, some of the projects funded under RDIA will be coming into commercial production just in time to take advantage of the economic recovery and growth in demand forecast for the world market. As a consequence, Mr. Speaker, Canada has some very attractive opportunities to put before entrepreneurs from both inside our borders and beyond. Mr. Speaker, I would therefore ask this House to give its wholehearted support to Bill C-35. The speedy passage of this amendment will permit the government to continue a program which is making a very real and worth-while contribution to the reduction of economic and social disparities in Canada today.

With the help of each and every member of this assembly—each working as a minister of regional economic expansion in his or her own constituency—we will be able to make this country of ours a better place to live and a better place to work, no matter what part of Canada we call home.

I should like to conclude by expressing our appreciation for the co-operation of members in committee as well as their consideration of and support for passage of this amendment, the much needed time increase set out in Bill C-35.

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I have the distinct pleasure, albeit unexpected, of responding to the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Harquail) in regard to the passage of this bill. I should like to say to the parliamentary secretary at the outset that, as far as we are concerned, we have no objection to co-operating so that the legislation may be handled expeditiously.

I think we should take this opportunity, however, to reflect briefly on some of the things that must be done fairly soon in more comprehensive legislation in order to revise the concept of regional economic development in this country.

As the parliamentary secretary said, the department was created about ten years ago. Sad to say, in the intervening decade, although the department has accomplished much, there is a great deal it has not been able to do. It would appear that it has gone from what was a very high priority and

expansionary type of department to what is now becoming an "also ran".

I think the minister appreciates, as I did, that there is an enormous amount of failure in co-ordination between this department, which is by its nature horizontal and crosses the efforts of many line departments, and other departments which could do so much to help DREE in a common purpose to develop parts of this country that have steadily been falling farther behind.

When the Department of Regional Economic Expansion was created, a greater proportion of its effort and funding was targeted toward Atlantic Canada than is the case today. As I understand it, about 53 per cent of its budget was allocated to Atlantic Canada ten years ago; today about 37 per cent of its budget is targeted to that region.

Another phenomenon that has occurred, of course, is that in the western part of our country an enormous expansion has been taking place in some provinces. This is something about which we all rejoice, but it has made it very difficult to continue to target on the traditional role of DREE, which has been one of equalizing the standard of living.

When a province like Alberta makes such enormous progress that it becomes, in effect, a miniature Saudi Arabia in our country, it is then difficult to say realistically that Nova Scotia, for example, will have a comparable standard of living through the efforts of a department such as DREE. What DREE must do is try to lessen the tremendous dependence of parts of this country on transfer and equalization payments.

The phenomenon is that as the DREE budget has fallen proportionately, and therefore so has its capacity to develop the economies of the regions of the country that need their economies developed, there has been a great increase in transfer payments. In other words, there has been a far greater emphasis by this government on distributing the wealth of the country than there has been on trying to create the wealth which must be distributed.

I mentioned that factor in a speech I made not long ago so I do not want to chew my cabbage twice, as they say. But I do want to emphasize, however, that there should be greater co-operation between line departments and DREE if we are to accomplish anything; I am sure that the parliamentary secretary and the minister would agree with this. We tried to promote this approach in our government and I believe that the present minister intends to continue the thrust.

I want to repeat the point that I made earlier but make it more specific. The Department of Industry, Trade and Commerce is one of those line departments that is doing the least to expend its resources in a co-operative way—in Atlantic Canada, for example—to help DREE accomplish some of the things that all members of this House want to see done.

I have done some research since last week—and I stand to be corrected if my figures are not correct—which appears to show that through the enterprise development program, EDP, in fiscal 1979 the Department of Industry, Trade and Commerce only allocated 0.66 per cent of its budget, an amount of $1.4 million, to promote industry in the Atlantic region. For 1980 this has been raised to about 5.3 per cent of its budget, or over $12 million. I hope that the minister will continue this trend with particular emphasis on IT and C.

I should like to share with the House an example of the lack of co-operation that is particularly noticeable to me because it occurred in my constituency. The Electrohome enterprise which took over a building in my constituency got into difficulty. The Department of Regional Economic Expansion very properly tried to recover a substantial amount of money, while at the same time the Department of Industry, Trade and Commerce, through the EDP, was trying to straighten out the company. One department concerned with promoting economic development was in conflict with another department that really had the same objective. They were fighting over who was going to get money and who was going to reorganize the company, when there should not have been a problem at all. As a matter of fact we were able to work out a satisfactory arrangement which, to the best of my knowledge, still exists.

Agriculture is another area of concern. I hope the minister will look into matters and see what can be done with the PFRA program in western Canada. The hon. member for Medicine Hat (Mr. Hargrave) is an expert on PFRA. At the Standing Committee on Regional Development in the last session of Parliament he and other members were designated to look into the question of whether PFRA should remain with the Department of Regional Economic Expansion or whether it should come under the Department of Agriculture and, if this were the case, whether the program could be extended right across the country.

Atlantic Canada at one time had a similar program called the Maritimes Marshland Rehabilitation Act. I am sure the hon. member for Annapolis Valley (Mr. Nowlan) and other members from New Brunswick would remember very well the good work once done by that program, but somehow or other it was discontinued. While the problems in Atlantic Canada are different, generally having more emphasis on drainage and rehabilitation of marshland as opposed to relieving drought as in western Canada, help is nonetheless required.

I hope that when considering more comprehensive legislation—this is only an interim measure—the minister will continue this study and will consult the hon. member for Medicine Hat and others to see whether something can be done to utilize DREE or the Department of Agriculture, whichever is most appropriate, to extend the economic development stimulus into the area of agriculture as well.

One of the things that should be done in order to support DREE, apart from increasing its budget to some extent—not that we should give it more money than it can intelligently use, but there is certainly a need for an increased budget—would be to consider some fiscal and financial measures.

● (1230)

Again, I do not want to hearken back and say that we had the only answer. We thought we had something in our budget that was helpful to DREE, that is to say, a provision for a tax

contract which could be used to supplement the existing DREE incentives. I still continue to believe that that is needed, and I hope the minister will continue to look at this option.

I suggest another thing that has to be done is to make more flexible the procedures involved for advancing money. It may well be under the changed economic circumstances that to withhold funds to the extent that they are now withheld from applicants, before they are finally paid upon reaching commercial production is no longer appropriate, and that there should be more front-end money advanced sooner, particularly to small prospective industries or industries which do not have the cash flow and are seriously impeded by the lack of working capital.

In addition, there should be a hard look taken at the kind of special grants that are given to large corporations. Some of them have worked out very well, such as the one to Michelin in Nova Scotia. Others have not. But it makes far more sense to me to allow large profitable enterprises who have cash flow and who are able to finance, by definition, their own expansion, to make funds available through tax concessions after the fact so that taxpayers only pay for what they get, rather than passing money out to large corporations in an attempt to induce them to do what in some cases they were about to do in any event.

There is quite a paradox involved in regional economic expansion. Sometimes the industries who receive grants will only line up to get the grants simply because they are there and because their competitors got them. This is why I believe that if more provision were made to make certain that corporations having undertaken marketing studies, and all of the other details they need, decide on their own to go ahead with these particular projects, then let them finance their expansions by means of income tax concessions, and do not induce them to line up just for the sake of getting the grants because their competitors happen to get them.

There are many improvements which the minister knows have to be negotiated and brought this House. One of the problems, however, is that in a bill such as this, as is the case with the Bank Act, the more we delay passage of legislation by putting forward suggestions and prospective amendments, the more we hinder some of the things that have to be done.

I am happy that the minister brought this bill in at this time, but I am not too happy that he saw fit to put a five-year period on the time he indicated that it should be extended. I would have thought it better to say a period of three years which would be, by definition, within the period that this Parliament would last, and which would in effect be an added incentive to go ahead and bring forward the kind of comprehensive legislation that we are assured will be brought forward. If this is not done, we will get into the situation in which we now find ourselves with respect to the Bank Act. It becomes an exercise in absurdity whereby we cannot seem to come to grips with doing something that has to be done within legislative timeframe and we have to keep on changing and extending measures. I sincerely hope that that will not happen with respect to the regional development legislation. This will be coming forward I trust, according to the parliamentary secretary, in a reasonably short time. I hope he will be able to give us his undertaking, or a reasonable assurance, that this legislation, which I know the Department of Justice has been working on for some time, will come forward into the House in the fall so that we can go into much greater detail in considering and bringing in appropriate amendments as well as discussing it in committee.

In the meantime, through the parliamentary secretary I want to wish the minister every success in trying to impress upon his colleagues in the departments of Fisheries and Oceans, Industry, Trade and Commerce, Transport and many other departments that what he needs is not competition from them for the DREE budget. He does not need them to be making demands on him for funds to relocate rails or to build airports, which should be the responsibility of the Department of Transport. What he really needs is an indication from them that they are prepared to set aside some of their own budgets and work more closely with him. Therefore, when there is a project that requires joint effort by departments, they will be there contributing, not simply taking advantage of DREE's position to say that it is up to DREE, or let DREE do it. Nor do we want to hear it said that, while they have their own empires, after all, DREE is charged with economic development; that even if they do not have enough money, it is DREE's responsibility and let DREE do it.

The minister knows the problem. I hope that he will get the kind of co-operation and good will that accrued to me from my cabinet colleagues. On that basis I will watch with a great deal of interest and a lot of good will what is going on in this very important department.

I hope that in the not too distant future all members of this House will be able to join in a more detailed and extensive debate over this important aspect of developing our country.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am pleased to be able to say a few words in this debate. However, I want to say at the outset that I am not the critic for our party when it comes to the Department of Regional Economic Expansion. Our critic is the hon. member for Churchill (Mr. Murphy), who is in western Canada today and has been doing a very good job of watching the department's activities over the last few months.

I was very happy to hear the hon. member for Central Nova (Mr. MacKay), the former minister in the Conservative government, say that he will oppose the five-year extension and that he would sooner see a three-year extension. Our critic, the hon. member for Churchill, has suggested a two-year extension, which is in the same ball park. This would put the incentive on this Parliament to come up with some major revisions to the act, rather than passing it on to some other Parliament five or more years down the road. I want to say that both parties on this side of the House support that intent. I hope the government will take that under advisement and perhaps amend the legislation when it is before the parliamentary committee relevant to the Department of Regional Economic Expansion.

At a time like this we should look at some of the successes and failures of DREE. I want to go back to 1968 when I was first elected to serve here. I think that since then, 12 years ago, we have seen possibly two major economic innovations by the government which sits across the way. One of them was PetroCan, the establishment of a publicly-owned oil company. The second structural innovation was the establishment of the Department of Regional Economic Expansion, which was established to alleviate some of the inequities in this country. I believe that to be very important.

Like other members in this House, I am very concerned about the future of Canada, about the constitutional talks that are now taking place and about future economic and social development plans. One thing that is imperative is that all regions of this country feel equal, that they have equal opportunities to develop and that one region will not be favoured over another. I think there should be co-operation among all the regions and that the basic philosophy of equality be supreme. In my opinion, this department can go a long way in trying to meet some of those objectives that we have as Canadians.

The particular act that we are talking about today, the Regional Development Incentives Act, is really the program that hands out forms of grants and loans and guarantees to business and to industry which is willing to establish, to expand or modernize facilities in certain designated regions of the country.

Let us take a look at that. The Department of Regional Economic Expansion was created some 11 years ago. Since its inception, the proportion of the national budget allocated to DREE has declined from 2.1 per cent in 1970-71 to 1.1 per cent in 1977-78. This is a drop of 52 per cent in the national budget in that seven-year period. The proportion of the department's budget in Atlantic Canada, the region that needs more assistance than any other, has dropped by 42 per cent in that same period of time. Not only has the budget gone down by 52 per cent over seven years, but with what little money is available, the amount in the Atlantic provinces has dropped by 42 per cent.

• (1240)

No wonder the minister got up in this House and did something I have never seen in my 12 years in Parliament. He made a public plea to the Prime Minister (Mr. Trudeau), to Treasury Board and to other ministers of the cabinet to provide more money for his department because it does not have the funds it needs in order to alleviate some of the regional inequities that are so apparent today.

I want to look at some of those regional inequities. In many areas they have increased rather than lessened in the past ten years.

[*Translation*]

For instance, from 1968 to 1978, the four Atlantic provinces, which represent 10 per cent of the total Canadian population, benefited from only 6.1 per cent of new investments in the country, and only 6.6 per cent of all new jobs. The rate of unemployment in the four Atlantic provinces is 37.5 per cent higher than the average rate for Canada. The same goes for the province of Quebec. Quebeckers represent 27 per cent of the Canadian population but, between 1968 and 1978, they got only 18.1 per cent of all new jobs in Canada and only 22 per cent of new investments. In Quebec, the unemployment rate is much higher than the average Canadian rate. The rate in Quebec is 34.4 per cent higher than the average for Canada.

[*English*]

As can be seen from some of those figures, there is still a tremendous amount of inequity in this country. In the last ten years, for example, the unemployment rate in Canada has increased by 72 per cent. However, in the Atlantic provinces it went up by 161 per cent. The cost of electricity in Nova Scotia is 50 per cent higher than the Canadian average. All of this has occurred despite the fact that we have a department that is supposed to be lessening the inequities between one region and another. Therefore, when looking at an act of this sort we have to question whether it and the department are doing all that can be done or whether there are some other tools we can use to lessen regional grievances in this country.

Statistics released by DREE at the standing committee this week showed that large DREE expenditures are creating proportionally fewer jobs than small expenditures. The hon. member from Nova Scotia who spoke for the Conservatives questioned the wisdom of some of the grants given to large corporations. I want to reinforce that assertion and the fear and concern that he has.

Projects with the largest approved capital costs create only marginally more jobs than those with the smallest approved capital costs. In 1978-79, 4,680 direct jobs were created with an expenditure of $21.5 million on the smallest approved capital cost projects. During the same period, 4,690 direct jobs were created with an expenditure of $72.3 million in the largest approved capital cost group. Therefore, only 10 more jobs were created by the larger companies despite the fact they received an extra $50.8 million.

This is the figure we should look at. This is the reason I do not want the act extended for another five years. My impression is that what is happening is not right. It is not creating enough jobs in the areas it should. When you spend three and a half times more money to create only ten more jobs, something is wrong.

There are a number of other items which should be looked at. When you see statistics like that, you wonder whether the Regional Development Incentives Act and the program that gives grants, and so on, to companies to establish in a certain area is in many ways a glorified Santa Claus handing out gifts and financial rewards to companies to locate in a particular area. It hands out a lot of carrots. Maybe it is the carrot act. Once the incentives are gone, the company is not going to expand. Perhaps the company will withdraw, move its plant elsewhere and expand because it is more profitable.

We cannot have a Department of Regional Economic Expansion in isolation. There are other government programs. We need structural changes in this country. For example, freight rates discriminate more in the Atlantic provinces than in southern Ontario. Therefore, it is more expensive to establish a plant in the Atlantic provinces. Even though you give large concessions and grants to people to establish an enterprise there, it still may not compensate for the freight rate inequities.

We have a tariff structure that has protected central Canada more than some other regions, such as the Atlantic provinces. As I said previously, energy costs are very high in the Atlantic provinces, much higher than the Canadian average. If the Department of Regional Economic Expansion is to really have an impact, there has to be an over-all, co-ordinated government policy or plan to ensure that the Atlantic provinces, parts of Quebec and other parts of the country that need DREE moneys do not get them in one hand while through other programs they are losing more than they receive from DREE.

I think of the Export Development Corporation which we debate in this House from time to time. It gives out all kinds of money to Canadian corporations as insurance when they are investing or selling abroad in Africa, Asia or South America. It so happens that the majority of these companies are located in the wealthier areas of Canada which get money from the Export Development Corporation. That again tips the balance away from the effect that DREE is having in some of the lesser developed areas.

The minister in charge of the Department of Regional Economic Expansion needs more clout. He needs more power to plan the economy of this country to ensure that the have-not regions get their fair share and the have regions do not get as much as they do today.

These are some of the matters that concern me. I say to the parliamentary secretary and the minister that for these reasons we want to see this bill go to committee where we will have an opportunity to ask questions, get more information and try to persuade the minister and his officials to extend this bill by only two years instead of five.

Another idea I want to throw out today is that when the government are handing out tens of millions of dollars, and not just under DREE but under various government programs, it would be appropriate to take equity in the company for the amount we are investing in that company. If we are giving taxpayers' money to a private company, it seems appropriate to take a proportionate equity equivalent to the investment. Perhaps that can be considered by the minister as we go to committee stage and back to the House for third reading.

That is really all I want to say today. This is a very important department and it is doing some good work, but this is one of the programs of the department that we question. We question whether so much money should be given to the larger companies that are not creating as many jobs as smaller companies in proportion to the funds they receive. We also put questions to the government as a whole urging them to plan their other departments so that they would be complementary instead of contradictory, and help the Department of Regional Economic Expansion instead of hinder it.

● (1250)

If we can bring the standard of living and the standard of development in the Atlantic provinces, in the north and in other regions up toward the national average or even above the national average, we would perhaps be doing more to unify the country in the years ahead than anything else the House could do.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-35, to extend the Regional Development Incentives Act for an additional five-year period. The parliamentary secretary has mentioned the number of jobs which have been created under this act in the last 10 years—some 150,000 across the country with an accompanying investment of roughly $3 billion. Those of us who were here when the original bill was passed and when the department was created have seen a number of successes and a number of disappointments in the department, and I believe the review which the minister is carrying out at the present time and the legislation he is proposing for later this year will be welcomed with a great deal of anticipation and interest, especially among those of us who come from slow-growth areas.

Certainly, the Regional Development Incentives Act, although not completely successful in all parts of the country in terms of diversifying and widening their economies, has been a very constructive instrument for regional development. I think of the number of new industries and plants which have located in the Algoma-Manitoulin area which I represent. It is hard to know whether we would have been successful in securing many of those industries without the help of this legislation.

We have one of the largest sawmill operations in northern Ontario capable of producing 100 million board feet of lumber a year, and I understand there are plans to increase output to 150 million board feet of lumber a year. This is really a very large operation and the project got started through assistance from the Regional Development Incentives Act. Of course, a large number of other projects have been established, including a veneer mill, a barrel factory related to our mining industry, concrete manufacturing plants, meat-packing plants, a fish processing plant, sawmills, bakeries and so on, industries which have benefited directly from the existing legislation. Without this kind of incentive and determination on the part of the government to assist these industries, many of them would not have located in the north.

The one thing we have really learned from this legislation is that, even on the basis of very strong financial incentives, it is still incredibly difficult to persuade industries to locate in the slow-growth areas; they seem to want to locate within a few miles of their markets, so naturally they try to locate near the large metropolitan areas. To draw them away from that natural desire requires a very strong incentive. One condition

of success often appears to be principals who, for one reason or another, are interested in the north, or interested in one of the slow-growth areas as well as benefiting from the incentives. There usually has to be some natural advantage—good transportation, the location of the resource close by or other favourable factors in addition to the incentive provided by legislation.

I hope that during the next few weeks the minister will give priority to reviewing the proposal to establish a new rural development agreement for northern Ontario with the provincial government. This agreement has been awaiting action for the past year during two changes of government and it is urgent that it should be signed now. It involves a relatively modest demand on the public treasury, yet its impact on literally dozens of rural communities will be very great. So I hope the minister will move ahead to sign that agreement because, as I say, its impact on rural communities will be very great in terms of economic development affecting the agricultural sector, small forestry and woodlot operations, small mining operations, Indian bands, the tourist industry and developments related thereto.

It is terribly important in fashioning rural development policies that we should not only use incentives such as the act we are being asked to extend today, but that government policy come down squarely on the side of locating industries in slow-growth areas. In this context I think of the decision by the federal government a few weeks ago to establish the Eldorado uranium refinery in the Algoma district close to the source of uranium there. This decision flowed from a policy commitment made by the Liberal party during the general election to process energy resources close to the source of supply. For us, it meant processing uranium and the refining of uranium in the Algoma district. For people in western Canada it would mean seeing the future development of the petrochemical industry located in Alberta and Saskatchewan and those parts of the country where the petroleum and natural gas reserves are to be found. Ultimately, of course, if the finds off Sable Island and the east coast offshore of Newfoundland are successful, it would mean the same there.

This is a policy which, in a conceptual way, I believe most Canadians support, though when one gets down to the nitty-gritty of moving a refinery from one part of the country to another it is more difficult to get unanimous support. But a policy decision of that kind, set out ahead of time, has a great impact and would save millions of dollars in the avoidance of push-pull from various communities. It is most important there should be a policy decision of that kind taken well in advance of major Crown corporation decisions as to the location of processing industries.

I want to compliment the government on the pulp and paper industry agreement in Ontario. There is no doubt that this agreement is resulting in major revitalization and retooling of the pulp and paper industry. In my own constituency in Espanola and Sault Ste. Marie, it is resulting in a major redevelopment of the entire industry. In the case of Espanola, something like $25 million in incentive grants is involved in a major effort to modernize and improve the environmental facilities as part of a capital investment of around $225 million. The result will be a much more modern and environmentally acceptable operation.

Some hon. Members: One o'clock!

The Acting Speaker (Mr. Ethier): Order. It being one o'clock I do now leave the chair until 2 p.m. this afternoon.

At one o'clock the House took recess.

• (1400)

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House interrupted its proceedings at one o'clock, the motion for second reading of Bill C-35, to amend the Regional Development Incentives Act, was before the House, and the hon. member for Algoma (Mr. Foster) had the floor.

[*English*]

Mr. Foster: Mr. Speaker, when we adjourned at the lunch break our consideration of Bill C-35, to amend the Regional Development Incentives Act, I was speaking about the importance to northern Ontario of the pulp and paper industry agreements with the province of Ontario which will be so instrumental in ensuring the long-term viability of this industry, let alone the improvements to the environmental operation of this very important industry. It employs some 30 per cent or 32 per cent of the people in northeastern Ontario engaged in the manufacturing and processing sector. However, companion to that agreement is the arrangement for a forest management agreement, which is providing improved access, renewal of our forest resources and building up access to forest management areas.

Combined with that I think is an important program which is being implemented at the present time by the provincial government to have the pulp and paper companies carry out much of their own reforestation, and surely that can be done more efficiently that way because there is nobody with a greater incentive to see the forest management areas reforested than the pulp and paper companies themselves.

In the case of the example, which I quoted before lunch, of the Eddy forest products plant in Espanola, it is expanding its capacity from 700 tons a day to close to 1,000 tons a day, so that it has the incentive to ensure the long-term viability of its forest reserves. Those three things go hand in hand. Through its agreements the federal government is rightly involved in two of them which are very important to northern Ontario.

• (1410)

I have been encouraging the establishment of a program in two rural areas of Algoma-Manitoulin. I am referring to the local economic development assistance program of the Department of Employment and Immigration. That department will be providing funding for some 18 local projects across the country. It will set up local economic development corporations to provide funding for administration assistance for researching, new industries locating in the area and new economic opportunities. Also it will provide funding for equity investment and loans of assistance as an incentive to industries wanting to locate in slow-growth areas.

Some experimental projects have been very successful in the United States in such areas as Kentucky and others with slow-growth problems such as those faced in northern Ontario. It will be interesting to see how successful this approach will be during the next few years. Certainly the Minister of Regional Economic Expansion (Mr. De Bané) favours local involvement and initiative in creating, developing and exploiting local economic opportunities.

Earlier this morning I mentioned the importance of policy decisions in ensuring that we direct to slow-growth areas industries which have a natural affinity or advantage in locating in what are often resource areas. It is important to clear the way through the DREE program, which has been done in many areas, by providing assistance in infrastructure. I am thinking of a number of communities in eastern Canada and northern Ontario where assistance has been provided for major sewage and water treatment facilities or industrial parks where local communities had an opportunity to move ahead with economic development but did not have the wherewithal to do it.

Surely Sault Ste. Marie, at this juncture in its development, has reached the total capacity that existing sewer and water treatment facilities can accommodate. The community does not have the financial wherewithal to expand those, so there must be assistance from the federal and provincial governments. It seems to me the natural way to do that is through a federal-provincial subsidiary agreement under DREE. That will make it possible for the community to expand in terms of new industry and residential accommodation.

In that case the preliminary estimates show a cost of something like $26 million for the required facilities. The proposal has been before the federal and provincial governments for the past year or almost that long. The proposal is that some $18 million would be shared equally between the two senior levels of government and some $7 million would be contributed by the city. If we want to see industrial activity taking place there, we must assist in providing the infrastructure for massive facilities in order to have facilities not only for industries to utilize but also the residential part of the community, let alone the need for industrial parks which often is essential if new industry is to be attracted to a community of that type. The community has a natural advantage in that many people want to live there. It is the right size of city. It has many recreational and other aspects which people are looking for today, but it requires assistance for infrastructure.

I want to indicate my support for this bill. I am sympathetic to the need to amend the bill in a more substantial way to make it more flexible in the future, as other members have mentioned.

The parliamentary secretary, speaking on behalf of the minister, mentioned the review which is taking place and the plan to put more extensive legislation before this House later this year or early next year. I hope we will have that flexibility because sometimes industries want to locate in slow-growth areas and the present act does not have the flexibility to provide assistance in that regard. I like the concept of a previous bill relating to tax incentives for industries to locate in slow-growth areas. Unfortunately that tax bill the former government had before the House did not apply to northern Ontario. It was recommended by the present minister for DREE to the then minister responsible for regional economic expansion in the standing committee last fall. If a bill of that nature is brought before the House again, certainly I hope it will provide that incentive for industries in northern Ontario.

I indicate my support of this bill to extend the Regional Development Incentives Act. Surely a program which has created some 12,000 new jobs in northern Ontario, resulting in some $468 million of investment to that part of the country, is very important and deserves our support.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, this afternoon we are debating Bill C-35 to amend the Regional Development Incentives Act. I received a copy of the speaking notes of the parliamentary secretary to the minister responsible for DREE. He said that the minister will be speaking later on this afternoon. There are a number of questions I want to pose to the minister to clear up a lot of the confusion he and the Minister of Employment and Immigration (Mr. Axworthy) have caused by their statements about DREE funds now being available for rail relocation in Winnipeg. This is a totally new concept. There have been a number of conflicting statements as to how and when they will be able to obtain this funding. I hope the minister will clear up that matter when he speaks on this bill.

The Ministry of Transport indicated that it will have no funds for rail relocation other than the UTAP funds provided to each province. When the right hon. Leader of the Opposition (Mr. Clark) questioned the President of the Treasury Board (Mr. Johnston) last May regarding funding for rail relocation in Winnipeg, the President of the Treasury Board made it perfectly clear that he would be providing no funding whatsoever for rail relocation and that the moneys would have to come from some other minister's envelope. If the city of Winnipeg conducts a study on rail relocation and rehabilitation in the downtown area of that city and applies for DREE funds, what guarantee will they receive from the government as to which minister will provide funds out of his envelope? Will he have $10 million or $15 million in his envelope to hand out to the city of Winnipeg? That is a totally new concept, and we are entitled to some kind of explanation.

● (1420)

To further confuse the issue, on May 2 the minister for DREE said he had barely enough money to meet his existing commitments. We want to know whether the President of the Treasury Board is going to provide him with any additional funding, because if he is having trouble now, how are we going to get funds out of this supposed new formula for rail relocation or rehabilitation in downtown Winnipeg? The Deputy Prime Minister and Minister of Finance (Mr. MacEachen) has already made it perfectly clear to me when I questioned him on this funding for rail relocation in Winnipeg that he could not give me any assurance at all that he would be providing funding for rail relocation. That is why we want the minister for DREE to explain this new formula in detail.

There is no point in the city of Winnipeg, the province of Manitoba, or any other body, spending a lot of time and money on a study for rail relocation or rehabilitation when there is absolutely no guarantee from any minister that there will be $5 million or $10 million saved from an envelope for Winnipeg at any given time.

To further confuse the situation, on June 2 the Minister of Transport (Mr. Pepin) stated, as reported at page 1627 of *Hansard:*

—the government as a whole is offering the province of Manitoba funds otherwise available, from DREE particularly, in order to effect the relocation program.

The government as a whole is going to provide these funds. I am just not clear in my mind whether, when the study is completed and an application is made for the money to the federal government, the money will be available immediately, or whether the city and the province will have to wait a year or two until the minister gets a little more money in his envelope. These are the things the minister should clear up for us.

I have had a series of starred questions on the order paper since May 12 in an effort to clear up some of the confusion. I have asked that these questions be answered but the government is stalling, causing further suspicion.

Just to give the House an idea of what I am trying to find out from the government about this new formula, let me read one of my questions as follows:

What was the rationale used by the government when it arrived at the "5 million a year for five years" formula suggested by the Minister of Regional Economic Expansion in the House on May 7, 1980, and what escalation formula will be adopted to allow for inflation over the five-year period?

Once we get this formula established and a guarantee that the moneys will be available, we will then know what we are talking about. Because some cities have spent a lot of time and money carrying out studies.

Another of my questions is as follows:

Would the DREE grant be made available under the condition that the full Winnipeg rail relocation project is adopted?

That is something the city of Winnipeg as well as the province will have to know.

Another of my starred questions is:

Would the DREE grant be made available under the condition that the Winnipeg grade separation project is adopted?

That is something else we will have to know, because it takes time and money for the city and province to do these studies initially.

I think what is of concern to most members in the House is whether DREE funds will be taken from Nova Scotia, Newfoundland or British Columbia for this rail relocation. Surely they are entitled to an explanation too.

My starred question No. 12 is:

Will the funds for the CPR rail relocation in Winnipeg be diverted from (a) provincial (b) federal DREE programs and, if so, from which programs?

We want to know if these funds are to be supplied by cutting into other projects which are being planned in any of the provinces.

On June 2 in Winnipeg the minister for DREE and the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), the Minister of Employment and Immigration, held a press conference to announce this new formula. The Minister for Employment and Immigration stated that:

A federal promise of $50 to $60 million for inner city revitalization in Winnipeg is "new money", not a smokescreen for Ottawa's failure to commit money for rail relocation—

I hope the minister for DREE will be able to remove the smokescreen that exists right now by informing us where this $50 million to $60 million is to come from and at what time it will be available. I hope he will tell us what the time lapse will be between the time the city of Winnipeg and the province apply and receipt of the money. This is the sort of thing we want to find out. We have been led down the garden path before and that has cost the city of Winnipeg an additional $2 million cost overrun, because of delays caused by the hon. member for Winnipeg-Fort Garry and the federal government in carrying out a study on rail relocation. They did not come up with the money, and I suggest once bitten, twice shy.

The minister went on to say in Winnipeg:

—neither he nor Department of Regional Economic Expansion minister Pierre DeBané was dictating priorities to the city, "and at this point we're the only level of government to put our money on the table."

That is what we want to clear up. Is the money on the table, and which federal government department has taken the money out of the envelope to put on the table for Winnipeg?

In that news release they went on to say:

The funding package, which will not be tapped until 1981, comes largely from DREE, and Mr. De Bané said the $25 million available for capital projects and $7 million for economic and social development would be over and above contributions already committed to Manitoba.

This statement has been challenged by officials in the minister's office. The Winnipeg *Tribune* reported on June 2:

However, an official in the minister's office said last month that DREE funding to the province had been scheduled to drop from $40 million to about $20 million in 1982.

As hon. members can see, there is further confusion along the line.

I mentioned earlier the delay of 14 to 15 months in the city of Winnipeg obtaining permit to build the Sherbrook-McGregor overpass at the CPR yards. This delay was due to the federal government insisting on another study. This cost the city of Winnipeg $2 million in cost overrun. The federal government is obligated to make up that $2 million, since the city of Winnipeg did not ask for a study or cause the delay. It asked for the permit about 15 months ago and it was stopped by the federal government. This cost overrun is a direct responsibility of the federal government because of the delaying tactics in which it indulged. I want it on record again this afternoon that there will be a formal application coming from the city calling for the federal government to reimburse the city for this $2 million cost overrun. I hope ministers are looking in their envelopes right now to find this $2 million in order to reimburse the city of Winnipeg.

This type of confusion and delaying tactic, calling for more studies, has caused nothing but confusion. The city of Winnipeg has co-operated over the years in these studies, but that has got it no place. There has been $1.1 million spent on studies for rail relocation. The city of Winnipeg and the province of Manitoba do not want any more money spent on studies in respect of applications for funds, particularly if we find that the money is not available.

When the minister gets on his feet to speak on this bill we want him to explain this envelope system and to tell us what kind of firm commitment he can make that the money will be available when the government receives an application. The province and the city are entitled to this explanation. I am sure hon. members will agree with me in this regard. This is the kind of firm commitment all of the provinces, not just Manitoba, will need. I hope the minister will go into some detail when he debates this matter, Mr. Speaker.

[*Translation*]

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I take pleasure this afternoon in joining the debate on Bill C-35 to amend the Regional Development Incentives Act. Given the present economic situation in Canada, Mr. Speaker, and most particularly in eastern Canada where people are experiencing enormous difficulties, these subsidies will have a tremendous impact.

During the last few weeks, I heard the Minister of Regional Economic Expansion (Mr. De Bané), especially in committees, explain the openness he intends to show towards the committee members and also towards the other parties in the House. He mentioned his intention of acting outside the bounds of this House to get closer to the people and the various economic agents that we find in that environment. I could only but be pleased by such an attitude of openmindedness on the part of the minister.

Mr. Speaker, when one lives in peripheral areas, in remote centres where people find it difficult to be in daily contact with the different levels of government, and when one sees that in a particular department, beginning with the minister and on down the ladder through all the echelons of the administration, there is indeed a desire to get closer to the people by providing more information and ready access to the different systems of governments one finds cause for rejoicing.

• (1430)

This bill, which aims at extending the time limit for the provision of development incentives, is extremely important. I mentioned earlier a certain openness of mind and better communications with the population. In eastern Quebec, and especially in Bonaventure—Îles-de-la-Madeleine, we have witnessed a great experiment on the part of the Department of Regional Economic Expansion, which started with the desire of the minister to delegate a few officers to examine on site, with the people, the industrialists and the economic development officers, what type of development could be achieved through the department and what type of projects could benefit from the bill now under consideration.

After departmental officials returned from a three-day visit to the Magdalen Islands, they were able to pinpoint projects which would be eligible under the RDIA and would cost $8 million. As I said, Mr. Speaker, it is a good thing to go to the people, especially those in areas remote from centres like Quebec City, Montreal, St. John's, Halifax, or other major Canadian centres to explain what the government can do, because we can have very positive results since businessmen in these areas are aware of the various programs, but unfortunately they often do not know how they can apply or how to get through all the red tape to get what they want.

Admittedly, Mr. Speaker, we can only support the new policy that the minister wants to implement in his department, especially as concerns this bill since, because of this spirit of openness, our businessmen will be able to benefit from the programs placed at their disposal. Because of this experience which I mentioned in the Magdalen Islands, the minister during his last visit was able to announce incentives of $237,000 which will create 50 jobs within a small area. Mr. Speaker, this shows the importance of this bill and the importance of extending admissibility to this program for another five years. When we note that such a small amount will create 50 jobs, it is easy to imagine what we can achieve with grants of $1 million or $1.5 million in a region where unemployment reaches 40 per cent and sometimes 60 per cent. Indeed, this extension of five years will enable various industrialists to become more familiar with this legislation and to make applications which can promote economic development.

Also this morning I listened to my colleague from Central Nova (Mr. MacKay) refer to the role of DREE and the only way that department's role could be envisioned in relation to the others. I am in total agreement with his suggestions in that respect, and I could tell him that we are now proceeding on Magdalen Islands with an experiment that hopefully can illustrate what has been said on that subject.

Certainly, Mr. Speaker, it will be remembered that on June 8 last the Minister of Regional Economic Expansion announced on Magdalen Islands an economic priming program with a minimum $15 million funding. Clearly that can only be achieved with the co-operation of every federal department involved on the islands. I think we now have an opportunity for a pilot experiment to convince and show every other department of the federal government how DREE, in areas where there exist unthinkable and unacceptable rates of unemployment, could co-ordinate the work of all the various economic agents at the federal level.

We have DREE on the Magdalen Islands, and we will have the co-operation of the four departments directly involved, namely the Department of Fisheries and Oceans that account for 60 per cent of the livelihood of the people; the Department of Transport that is directly involved in air and marine transportation, which is the only *raison d'être* and the only possibility for the people to get out of the islands; the Department of Agriculture, through which we will be able to see what the possibilities are to try and reach self-sufficiency in certain crops; and finally, the Department of the Environment, which will have to look after the co-ordination of these various departments in order to protect the marine subsoil and the balance that should exist.

So, Mr. Speaker, we have five departments directly involved and they will have to work together to ensure a harmonious economic development on the Magdalen Islands. From the various comments we heard in the Magdalen Islands following the announcement by the minister, I think those people are truly determined to prove to the federal government that we can work in co-operation and that when it comes to economic development all departments can readily co-ordinate their efforts and succeed in reducing the rate of unemployment in our region of Quebec where, as I suggested earlier, we have at certain times of the year unacceptable rates of unemployment.

So, Mr. Speaker, I am sure our colleague from Central Nova, when in three or four years he can see the results we got with that endeavour and that pilot experiment we are doing on a piece of land which he knows very well and which is not very far from his own riding, will be able to see indeed the enormous efforts we made and how we succeeded in co-ordinating the actions of different federal departments to spur economic development.

Mr. Speaker, this leads me to relate the regional development incentives program to other agreements within the Department of Regional Economic Expansion. I praised earlier the benefits of such agreements but I also believe the Department of Regional Economic Expansion should orient its policy in certain areas, as it has already done in the past, towards comprehensive agreements. Once again, the Minister of Regional Economic Expansion proposed to the government of Quebec a comprehensive agreement for the development of eastern Quebec. I believe we have to go beyond the experience we had from 1968 to 1976 in this area where we managed to set up and put in place administrative structures, road and maritime infrastructures, and we need to go beyond that and a little further in the advancement of economic development.

● (1440)

Obviously, if the Quebec government decides—and I hope it will take this suggestion very seriously—to accept such an agreement, we in eastern Quebec will be really able to develop our economy and raise the standard of living in that area to the same level as in the rest of the country. We simply cannot hope to raise the standard of living of a region facing tremendous unemployment problems and where most jobs are seasonal and to reach a decent standard of living only through measures that may be good but that are too often mere bandaids applied to chronic problems.

This is why, Mr. Speaker, we and the minister get tremendous support in that part of Quebec and again I hope that the government of the province of Quebec will respond to the desire of the people to conclude such an agreement. And again, to come back to the bill, as I said earlier the industrialists of that region who are facing tremendous difficulties are in favour of such legislation.

When you realize that at this time of the year people become aware of the importance of economic development, we should not penalize them by not passing a bill that would extend the program for at least five years. I talk about a five-year period. This morning I heard my colleagues suggest a shorter time period. I do not need to say, Mr. Speaker, that I fully agree on a five-year period because, as I said earlier, remoteness from large centres is a good reason to maintain that five-year period. Given the many administrative delays that those industrialists have to overcome to get their projects approved, that five-year period is not too long. When you consider the date of the application for a grant and the date of its approval you realize that there is a waiting period of 18 months to two years before a project is approved, so I do not believe that a five-year period is too long. This is why we should provide that time period for this bill.

Obviously, businessmen who rub shoulders with decision makers may think that five years is too long. But we must remember that those who live in isolated areas have to keep distances in mind and face other problems as well, so are not these incentives precisely aimed at helping Canadians who live in those areas? I think that was the initial aim of the program and that is why we want to keep those incentives and that five-year period.

There is another issue that I would like to touch upon, Mr. Speaker, and which is related to what I was mentioning earlier about the relationship between the various federal departments, and that is that DREE should play the role it was created for as far as the other departments are concerned. In those regions, and I will never say it often enough, where

disparities exist, the regulations and legislation administered by most departments, and which are made at a national level, can hardly be applied, or if they are it is not in the interest of the local population. So why could the Department of Regional Economic Expansion not serve as some kind of bridge for national legislation in order to correct these inequalities? For example, in the field of transportation, every user of an airport must pay the rental cost of the space used, but how can an airline do this in areas like the Gaspé peninsula, the lower north shore in northeast New Brunswick where passenger traffic is certainly not as heavy as in Montreal, Quebec City, Toronto or Winnipeg? How can the users absorb in their costs that price difference? Now why should the Department of Regional Economic Expansion not be used specifically to bridge that gap?

That, Mr. Speaker, is a real problem of regional disparity and the department should indeed be used to help solve it. Knowing that the minister is broadminded and that he would like to alleviate regional disparities, I am sure he will find out how he could act in co-operation with other departments to make up those deficits. Mr. Speaker, I conclude by saying that this bill is very important. I hope the three parties in the House will pass it as quickly as possible so that we can maintain that five-year period to enable industrialists in remote places to take advantage of the legislation in all fairness and obtain as much as possible for the economic development of our regions.

[*English*]

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am very glad to have the opportunity to speak on Bill C-35. While all hon. members who have spoken on the bill so far have a disposition to move it along, that should not detract from the fundamental importance of the bill. It gives me some concern that it is being debated on a quiet Friday afternoon just before the long St. Jean Baptiste weekend when many members are absent, some of whom may have different thoughts about DREE. Questions have been raised in this House about DREE grants to industries in certain parts of the country. This is, therefore, a subject which deserves a very full and substantive debate, and in the circumstances that may not take place this afternoon.

It would appear that the treasury benches are contemplating a new bill and when that is presented it might present the best opportunity to discuss these measures.

I must say that I share the concern of several hon. members, including the hon. member for Central Nova (Mr. MacKay), the very distinguished former minister of this department, and also the member of the NDP who spoke earlier today. Both members questioned the five-year extension clause. We all know that syndrome—indeed, it might be called "parliamentary constipation". The Bank Act, for instance, is extended every five years or every ten years. We never review it; we just give it another year's boost.

I do not know how many members appreciate the fact that while DREE was created in 1969 the act has, in effect, already been extended for a five-year period. I think if the proposed extension were for two or three years, we would be forced to come to grips with some of the fundamental principles involved in the whole policy of DREE. As I said earlier, those principles are so fundamental to helping the regions of this country and/or giving balance to the central portion of the country—which feels a little threatened at times in view of the economic changes taking place in the world and in Canada—that this shorter intention would give members a chance to debate the philosophy behind DREE.

I think you were in the House, Mr. Speaker, when the first minister of DREE, Mr. Marchand, said—or perhaps it was said in the Speech from the Throne in 1969—that this was a bold new adventure. The actual quotation is "—a bold new instrument for combating regional disparities in Canada."

A strong effort has certainly been made in this direction and people in the department have sincerely tried to implement this policy. DREE is better than some departments in that its very composition is more decentralized than others that seem to "grow like Topsy" in Ottawa or in the central area of the country. In that sense DREE has a good history of trying to decentralize its staff, its officials and its operation to the areas most directly affected by its policy. That is a very positive matter.

Before I get into the substance of the bill, Mr. Speaker, I should perhaps first devote a short sentence or two—which might be highly provocative if certain members were in the House—to paying my respects to and congratulating the former minister, the hon. member for Central Nova, and the present minister, the hon. member for Matapédia-Matane (Mr. De Bané). In private discussions with the minister, both before and after his appointment, he indicated that he wants to carry on the good work started by the hon. member for Central Nova.

● (1450)

In particular, I single out those two members. I suppose I could have singled out others, but I single out those two because they were directly involved with the most recent announcement of substance from DREE. This involved the extension and grant to enable Michelin to set up a large operation and develop it in Nova Scotia. This plant just happens to be in my riding. It will have an immense and substantive effect on the economy of Atlantic Canada, Nova Scotia and particularly the Annapolis Valley. Therefore, for what it is worth—of course, words are free so perhaps they are not worth that much—I want to extend publicly my thanks to the ministers responsible for DREE, together with their provincial counterparts, for bringing to a conclusion an agreement which involved many sensitive cross currents in view of the many problems which this country faces.

Having said that, I would like to comment on the substance of the bill and talk about the whole question of regional disparity. I am not trying to diminish the philosophy which

both governments would like to follow since this department has been established, but the fact is that while large grants of money have been directed, pumped in and sent under transfer payments to areas of regional economic disparity to help living standards and the rate of personal income, the actual reality is that in terms of changes in basic economic structures there has not been that change in the five provinces most affected by DREE, namely Quebec, the three Atlantic provinces and Manitoba.

Speaking of Atlantic Canada, there has not been that fundamental shift in the economic structure even with the massive inputs from transfer payments and other types of payments from the federal treasury. This is the reason why the whole subject matter of DREE policy should be debated either in this House or before the responsible committee. I suggest that to eliminate any conflict of interest that any member could have and yet still allow him to have input, now that we are ten years down the road from the inception and development of DREE, serious consideration should be given, even before the new bill is brought in, to opening up a forum to assess the whole philosophy of DREE in terms of the ten years' experience we have had. Therefore, there could be more solid guidelines formulated to point to the future in a new comprehensive bill.

DREE got under way in the budget of 1970-71. It is so easy to shove everything off into studies, commissions and inquiries. Sometimes large amounts of money have been spent to help parts of the country that feel aggrieved at not sharing some of the economic benefits that natural resources and history are presently helping them enjoy. Hopefully the minister will read my suggestion in *Hansard* or his officials will tell him that something sensible has been said in this debate, assuming any remarks are sensible.

Perhaps it is ironic or paradoxical that since we have had DREE and moneys have been going into DREE policy, other parts of the country—primarily the west because of energy and natural resources which are more accessible to the large markets of the United States—have been booming while we in the east have been going through a static period. We have not had any real growth in terms of the rest of the country, although obviously there has been growth there. Along with the oil problem and the loss of some of our markets because firms are moving out of the northeastern United States, some of our resource-based industries, be they textiles, pulp and paper, or even a shoe industry in Quebec, are all going through extra stress and strain. This stress and strain is not just a result of conditions in Canada but is created by the international trading picture and trading blocks that have been formed. As I say, in one sense it is a juxtaposition to natural growth. No one is taking away the natural growth in the west, but there are natural ingredients that are making the west grow. In the east, almost at the Ottawa River line, which was the gas policy line, there are problems within Atlantic Canada and eastern Canada that accentuate the need for a vibrant DREE policy to help that area rather than just making transfer payments.

I am going to cite a few figures in terms of transfer of payments which are rather horrendous, even with DREE, which, while it has helped maintain the standard of living, has not been the great incentive for new and vibrant economic growth. Some of us will remember the then premier of British Columbia, Mr. Bennett, who at one federal-provincial conference made the proposal that while we might have the best intentions to help those in Atlantic Canada with the administrative structure under DREE and other types of payments, hand-outs and/or transfer payments, perhaps the best way would be to have a more direct payment to everyone, either in the country or in Atlantic Canada. I do not want this to be misconstrued as an unnecessary suggestion of direct payment under some income level, a negative income tax or even an income incentive program. But there is no doubt that in a lot of the transfer payments to Atlantic Canada the dollar is eaten up in administration and bureaucracy. The actual productive dollar that gets down into the plant is actually even less than some of the figures show. I am going to quote some startling figures which show that while the budget in dollars may be going up, from $330 million in 1970-71 to over $500 million in 1979-80, in real terms, because of the inflation factor, the amount spent has actually gone down in Atlantic Canada.

I would like to refer directly to an interesting speech given by Judith Maxwell of the C. D. Howe Research Institute. This is printed in booklet form, dated April, 1978. Her speech was given before the Canadian Club in Toronto in April, 1978. She points out some interesting things in terms of development and refers specifically to Atlantic Canada. At page 4 of her speech she says this:

> Basically, the four Atlantic provinces have become government dependencies. In 1974, about 86 per cent of economic activity (total final expenditure) in the Atlantic region flowed through the government sector. The comparable figure for Ontario was 41 per cent. This is the broadest measure of government activity, since it includes family allowances, unemployment insurance, and interest payments on the public debt as well as government investment activity.

That is a pretty horrendous figure. I venture to suggest that the situation has not changed that much fundamentally or substantively in 1980, but in 1974, 86 per cent of economic activity—that is the total final expenditure in the Atlantic region—flowed through the government sector, compared to 41 per cent in Ontario.

Another interesting statistic which I was aware of, though I was not sure of the percentage, is this. Judith Maxwell says this:

> Another critical indication of the economic health of the Atlantic region is that net imports (that is, total exports minus total imports) accounted for 43 per cent of provincial product in 1974. The Atlantic provinces were therefore spending 43 per cent more than they earned and were creating a market for far more goods and services than they could produce locally.

Not only do we have this massive inflow of government payments under all its headings—family allowances, unemployment insurance pay-outs, transfer payments, post-secondary education and DREE—to the tune of 86 per cent, but in the Atlantic area itself we are bringing in more goods and thus shipping out money and importing 43 per cent, most of which we could produce ourselves with proper help. This is why DREE is so fundamental. When you look at DREE, this is

what gives me concern on this Friday afternoon. I am not trying to cast stones because the trends have been there since the policy was developed. In the first full year of DREE operation in 1970-71, DREE development expenditures had accounted for 2.1 per cent of total federal expenditures, $330.8 million out of a budget of $15.8 billion. Let us look at each year thereafter. In 1971-72 it went up slightly, to $349 million. In 1972-73 it went to $364.9 million. In 1973-74, $424.3 million and 1974-75, $438.6 million. When you get to 1977-78, it was $562.2 million against a budget of $45.2 billion.

● (1500)

By that time the total expenditures related to government expenditures were 1.2 per cent. In the figures from this public accounts table, which at that time were estimates prepared for 1979-80, the estimated DREE expenditure was $592.8 million, almost $600 million of a budget of $52 billion, for a DREE expenditure of 1.1 per cent of total government spending.

In capsule form, if the figure of 2.1 per cent was agreed when the program was set up to be a reasonable figure for expenditures under DREE to help the areas of regional economic expansion, why have we not had more debate on that ten years later, and why it is only 1.1 per cent of the budget. What is more significant is relating the actual dollars to the inflationary factor that has affected all government programs. There you reach a horrendous conclusion. If you relate the budget of DREE to the inflationary factor, the economic impact of DREE on Atlantic Canada is substantially less relative to ten years ago when the program began. It has been decreasing every year in terms of constant dollars.

Since 1970-71 there has been a steady downward trend in the percentage of federal effort available to DREE. In 1978-79 DREE's share of the $50.3 billion had fallen to 1.1 per cent of the budget. I am looking for the figures I have on the real value in terms of the constant dollar. The real value of the DREE program to Atlantic Canada has dropped. Of course, we all know you can do anything with figures, but these figures are from the public records of Canada.

The real value of Atlantic Canada's DREE budget plummeted to 41.2 per cent. In 1970-71 in constant 1971 dollars, the region received $184 million for development. This is Atlantic Canada. In 1977-78 it had dropped to $108.3 million. While the Atlantic region received 41.2 per cent less, the rest of Canada was receiving a 5.9 per cent real increase in DREE spending over the same period.

I am not going to cloud the record with a lot of tables, but in terms of constant dollars, going back to the total program and not just Atlantic Canada, the total program of $330.8 million in 1970-71 in terms of the time when you get to 1978-79, in constant 1971 dollars only had a dollar impact of $294.5 million.

In terms of the problems affecting Canada, let alone the impact and the negative things affecting Atlantic Canada, I suggest that these figures in terms of the DREE budget and the inflationary factor, which is almost cut in half, require even a better look to see where we go in Atlantic Canada and the direction for the whole DREE program. Because there are influences, and members can raise legitimate complaints about DREE, any economist looking at government legislation and the history of government in this country would say there have been policies which tended to centralize the development of industry in the central portion of this region.

The Bank Act, which is now being considered in committee before coming back to this House, is an instrument of financial policy which does not help the areas of regional economic disparity. In fact it helps the centralist impact. We also have a tariff policy and, as I said before, a transportation policy. Unless we somehow get a handle on these various instruments of government, be they transportation, banking or energy, we can talk all we want in this House of Commons and in committees in terms of the philosophy of DREE.

Most members agree that you help your neighbour. It is almost a Christian ethic, an ethic that came down through the ages in almost every religion. You help your neighbour who does not have as much as you. That philosophy would find support in this House. However, in terms of pragmatics and practicality in government, you must co-ordinate these various agencies and instruments of government. No matter if you double the DREE contribution and/or expenditure estimates, ten years later you might look at Atlantic Canada, or in fact we can look at it today, and say that there have been some specific successes that have helped people get jobs.

In terms of a fundamental change in economic structure in developing industries that are compatible with their region, we should not try to transfer economic clones that cannot survive in a climate which is not compatible with their growth. Once you take away the prop of a DREE grant, such as a no-interest loan, ten years later we could be saying that we not only spent the millions that the minister mentioned in his opening statement. It was a sizeable figure. As we all know, it was seed money. I think it was $600 million. It must be more than that really. That was seed money to help stimulate the expenditure of over $4.3 billion.

All that is to the good. However, I suggest that in this review of DREE there should be an opportunity to review it rather than just get caught with the act on a Friday afternoon. It may be all right for the parliamentary committee when it gets the new bill, but we all know the problems of parliamentary committees. They are swamped with work. Members are trying to cover two or three bases. You do not have the expertise to give you objective, independent advice. I am not casting stones, but by necessity you cut off a number of witnesses in order to get on with the business. You may have estimates of the department or any number of things.

I wonder if a parliamentary committee, even with the new bill that may be on the docket, is the forum to make an objective review of the whole philosophy of DREE. As I pointed out, in terms of massive government expenditure in Atlantic Canada, we tried to shift from that and develop our own private sector into a healthier community than it is today.

I tried to quote figures today in an unbiased, objective way. Ten years after starting the program, the actual expenditure of

DREE in terms of total dollars is 1.1 per cent of the total budget compared to 2.1 per cent ten years ago. That is further reduced by the impact of inflation. You find that the $600 million is really only worth half of that because of inflation. We have other policies and instruments of government that work counter to development of some of these areas of regional disparity.

I am starting to repeat myself, so I am going to conclude. We cannot have an effective, viable DREE policy by just transferring payments, helping a basic standard of living and not directing the policy to changing economic structures. Even though every effort is made, and officials work hard, you cannot have a change in the economic structure unless you co-ordinate that policy of grants, low interest bearing loans and that type of thing, with action in other areas. Look at what you have on the opposite side—the Bank Act, transportation policy, energy policy, to name only three of the basic policies which cover the country; I do not even need to talk about such things as the Canada-U.S. auto pact and other policies of that kind which are more specific to the central area. Then there is tariff policy.

● (1510)

These are four major areas which must be co-ordinated with DREE if we really want to achieve real growth based on a solid structure in Atlantic Canada. I am talking about Atlantic Canada because I know it better than the Interlake region of Manitoba or, obviously, parts of Quebec, although Quebec in terms of its future, I say with respect, is not as positive when one thinks of the future, bearing in mind that some of its industries, the textile industry and the furniture industry in particular, are under pressure. At least in Atlantic Canada we have the fisheries which, now, with the 200-mile limit are the base for real growth. We have a potential for gas and oil which obviously will be a base for growth, and if we can develop these potentials on the basis of a viable DREE policy which tries to rationalize the conflicts in other areas then, I think, we could be on a new path, and perhaps ten years down the road this House in terms of Atlantic Canada might not even have to debate DREE.

In conclusion, a word as to the forum. If it is just going to be a parliamentary forum, a parliamentary committee, there is not likely to be substantive input or a worthwhile assessment of the experience of the last ten years. Some professors hold the view that rather than having an absolute policy, a department of regional economic expansion, the most effective way to help areas which are less fortunate than others would be to set up what I gather we were being asked to do in connection with the social development bill we passed the other day, that is, in effect, an over-all secretariat which would have a direct input into and direct power over some of the line departments so as to lessen the influence of competing bureaucracies working for their own interests and exercising indirectly an adverse effect on the development of the regions. This is an idea which, perhaps, might be considered if there were a proper forum in which to go into the whole question.

While this is a quiet afternoon, the measure before us is certainly one of fundamental importance for areas where there is regional disparity, and certainly Atlantic Canada is one of them. I believe that after ten years of experience it is time to assess what has been done because there have been some bad strike-outs in regional development, as we all know. I do not need to read the litany of plants that grabbed some money and then went belly-up. In addition, there are obviously conflicts of interest which have found expression in this chamber in the last two or three weeks. Some have wondered why there should even be a DREE policy at all. I believe it is better to face the issue rather than defer it for another five years, so that ten years down the road we might have a better economy in all parts of Canada with the help of the present act.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome the opportunity to say a few words on this bill because, as the minister has indicated, it is his intention to review the operations of the Department of Regional Economic Expansion and perhaps come up with another bill with an entirely different approach. In any event he intends to take a careful look at the operations of the department.

Sometimes a bill is presented to us as a *fait accompli*, by which time it is almost too late to influence its contents although, of course, we are given an opportunity to express our views. By that time the minds of the civil servants concerned have been made up; they have drafted the bill and the minister has shown his support. Members have an opportunity to comment and are in a position to say, later, "I made my speech but you didn't listen." The best time to talk about these things is while ideas are being exchanged and different approaches are being considered. The one which is finally settled upon is probably the one which satisfies most of the people in the department—the minister naturally puts in his political input. So I welcome the opportunity to make a few comments.

I am one of the fortunate few in the House of Commons who were here when the concept of DREE was originally introduced. I know that some hon. members, including the hon. member for Annapolis Valley-Hants (Mr. Nowlan), have the impression that it goes back to 1969. Mr. Speaker, that is not the year in which the idea originated. The original concept goes back to 1957 with the equalization concept. This did not mean there was any kind of fund or any kind of department established to operate in a particular region.

In 1961 the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) was minister of northern affairs. He introduced a measure which was known as the ARDA bill—the initials stand for Agricultural and Rural Development Act. I heard his speech at the time and I recall the comment that this was a new approach which would assist communities to instal sewers and a variety of other necessary works. They could even plant trees. I found it difficult to relate sewers and trees at that time; I could not understand how one bill could be so encompassing. But, as my hon. friend explained at that time, the idea was derived from a bill which had its origin in the United States. I can recall my hon. friend talking about reforestation in Minnesota. We have to remember that in those days the

total budget of the federal government was something like $5 billion; today the budget is about ten times that amount.

Ever since those days the concept has been expanded. There was FRED, the Fund for Rural Economic Development. This encompassed areas such as the Interlake region of Manitoba, and afforded an opportunity to try out experiments. Hon. members must bear in mind that these were all experimental programs. Then there was establishment of the Atlantic Development Board which, I am sure, must have embarked on a considerable number of experiments. Then there was ARDA, the Area Regional Development Act, and the regional development legislation as it presently exists. My point is that the concept goes back a long way.

The impression I got from the Liberals was that while the Conservative government under Mr. Diefenbaker from 1958 to 1962 had introduced it, they were somehow going to erase history and remove any reference to a Conservative concept. So they came out with the idea of a department of regional economic expansion. From there on it was going to be a Liberal idea.

● (1520)

Regardless of whose idea it was, I want to trace some of that history for one specific reason. The point of it all was that this type of legislation was necessary. We could not keep running back to the government. All of us understand how cumbersome government can be. Every time we had a project we wanted to undertake we could not come back and ask for funds. We would wait for one department to move and then another department to move, and we really could not do anything. As a result this type of department was set up, but in setting it up it became very powerful, and it could grow to be very powerful and become a monster unless we have these periodic reviews. The former minister in the previous administration commented on that very aspect. Funds grow, requirements are always there, we do have regional disparities, there is a desire among civil servants to try to do their best, and there is no doubt in my mind that there is competition between provincial authorities and federal authorities.

In the province of Saskatchewan we have another type of competition. The department of northern affairs of Saskatchewan takes funds from the federal government and tries to tell everybody that all the funds, all the work and all the goodies come compliments of the province. They even moved a whole department of government into my area. They fan out in all directions; and there are people who work in every community. From original applications to final payments, matters are handled by the provincial administration, but 60 per cent of the funds come from the federal government. Regardless of whether there is a Conservative administration or a Liberal administration, the federal government is not given any credit, at least in the province of Saskatchewan, and regardless of whether the federal government is Conservative, under which this concept originated, or Liberal, I feel that they deserve a considerable amount of credit.

Mr. Cosgrove: Hear, hear!

Mr. Korchinski: There is no way that there would be any funds without federal participation, because there is no money to be made in many instances. It is a matter of providing opportunities for employment in areas where there are no opportunities.

This world is very competitive and there is a natural tendency to gravitate to central Canada and to ignore other areas. Central Canada is in competition with other countries so it has to be competitive, but that leaves out the regions, and forever and a day they were left in limbo, until there was an operation such as this.

There is a tendency to grow, and there is a danger that the department could become too powerful. There could be a few people in the department who could wield tremendous powers, if one community or a group of communities wants a certain project. Where are most of the projects undertaken in my constituency? They are undertaken immediately around La Ronge. La Ronge is a growing community, and it needs many of these projects, but beyond La Ronge there are many small communities. It is easy for administrators to take an hour's drive to look at a project, but to go out into outlying areas might require flying. One might have to take a day or two, so therefore there is not that same type of pressure from within the communities. There are pressure groups and people within the department who see an obvious need for certain types of programs. There are pockets where there is greater growth, even though it is all within the operation of the department.

The entire department fans out, and only a few areas are not included under this particular operation. The NDP says that it is great that we pour money into this. I remember in 1972 when "corporate welfare bums" was the expression being used. They fanned out across the country and campaigned, and all they said, was "corporate welfare bums". That was wrong. Because of the fact that there was some big industry involved, the idea of helping industries which were in difficulty was all wrong. Now all of a sudden Chrysler or Michelin can be assisted, and that is good. It is good to assist Chrysler because it happens to be close to the heart of the Leader of the New Democratic Party (Mr. Broadbent), but move into another area where there is a bigger company, and suddenly it is not good.

The danger—and this is why a periodic review is necessary—as I see it is that as this kind of philosophy grows, every party says that that is fine, but who is to apply the brakes? From here on in, one after the other they will be lining up because grants are available. There has to be some braking mechanism because funds are limited. The original estimates prepared by the previous administration were $562 million in the blue book. I asked the minister in committee whether that was the original amount proposed by the previous administration, and he said yes.

With the transition from the previous Conservative administration to the present Liberal administration not a single extra dollar has gone into the regional development department. The Prime Minister (Mr. Trudeau) tells us that the Conservatives have a fetish for cutting down on the deficit. When $3.5 billion

was added to the deficit, not one dollar went into this department. Where is money needed the most if not in this department? This is the type of department which helps depressed areas. Something somewhere is all wrong. Today we are subsidizing the price of oil to the tune of $10 million a day. Not one extra cent has gone to this department, but with the increase in the price of oil from $35 a barrel to $40 $1 million a day was added. If some of that money had been put into the Department of Regional Economic Expansion, jobs might have been created.

The Minister of Finance (Mr. MacEachen) tells us there is enough incentive. I heard the Prime Minister tell us the other day that there is enough incentive because we have a $14 billion deficit, but not one dollar was added to the budget of the Department of Regional Economic Expansion. The Liberal party and the New Democratic Party said in the last election campaign that the previous administration had cut down funds. I can tell hon. members about community after community where I hardly got a vote because of that type of political campaigning. Yet the administration now sitting opposite will not allow one dollar to be added for the benefit of depressed areas, and they come out smelling like roses. The previous speaker, the hon. member for Annapolis Valley-Hants, said that because of inflation we have less money in real terms. It was interesting to listen to his comment on that score because, in a sense, he is right.

There might be a way around this. There will be a parade to the public trough. This is a growing thing. Our society just cannot seem to move without some kind of incentive. "Everybody else gets a grant, so therefore we are entitled to a grant". If that is the way we train the people, I suppose that is the way they will act. It is one thing to train the people that way, but when we have corporations and businesses operating that way, we are in real trouble.

While there might be a need for direct grants, I suggest that perhaps there is a greater need for capital at reduced interest rates. That will cause these corporations or operators to stop and think that perhaps they do not need that much of a grant. If they even have to pay interest at a reduced rate, it will cause them to think perhaps they do not require that much money. Therefore there will be a braking mechanism.

● (1530)

I have another idea. The federal government contributes, for example, 60 per cent of the funds to the province of Saskatchewan. The philosophy is that it is necessary to have a co-operative or a department of government operating something or other. They are operating everything as long as there is money coming from the federal government. They could not move up north without the federal government handing out money first.

In committee I suggest that there should be an audit, but I believe I used the wrong word. We do have audits, but they are after the fact to ensure the right amount of money was spent. We must have a monitoring system which oversees the operations being conducted, because there can be waste upon waste. In years to come in many instances funds will go into areas which do not have the necessary technology, and are working with raw labour that is not trained in a particular field. Therefore they are bound to make a few errors, and a monitoring device will be necessary. If we enter into such a monitoring system, then there are always accusations that we are interfering with the provincial operation. So, how does one get around this problem? I do not see any other way. The taxpayers are entitled to get their money's worth.

I have received reports from my constituency on various operations. They asked what I can do about it. I cannot even go to the government or the minister to tell them about what is going on, because the operation is conducted by a provincial government. They have a line beyond which they cannot go. They are merely handed a bill, but they cannot say anything about how the money is being wasted in the operation. It is not too good to talk to them after the agreement has been signed. Originally everyone signs with good intention. Yes, they get together and plan. In fact the planning stage is great, and co-operation is great at both levels. The co-operation between the federal and provincial governments is great. The community is involved, and so on. Everything is go, go, go. However, once the agreement is signed, is in operation and is turned over to the provincial government, the federal government steps aside and says, "They know what is best; they can operate it."

What I am suggesting is that we require a monitoring system. It does not mean that the system will interfere with the operations of the provincial government. The monitoring system should not be conducted by the people who originally worked on the idea. It should be conducted by someone who is totally divorced from the idea. He or she can come in as an observer from another area, not knowing the people involved and perhaps not developing a close relationship. But he or she can report back to the minister who, in turn, simply identifies the areas where there seems to be waste. Then the minister can report back to the provincial authority. If they do not want to correct the situation, then we have a mechanism to make it public.

I am referring to the press and opposition political parties who are willing to make it public. The report should be public. It should not go to the minister so that he can put it under a table somewhere. It should be a public report. The monitoring system should be made public so that if the government does not get the message back to the provincial authorities, then the opposition will certainly do it. The opposition will play its role and expose it. Politicians being what they are do not like embarrassment any more than anyone else. I am sure provincial authorities do not like embarrassment either. That could be one method of getting around it. Without interfering with the provincial authorities, the political system could take over.

In many instances the NDP seem to draw a line at a certain point when they consider that it is too big. One can help organizations, companies, and groups of people, as long as one does not get big.

But I do not know at which point it become too big. Perhaps it is great to have big government, but one cannot have big organizations and so on. The NDP seem to draw the line. Some

sort of criterion should be established because there is a danger in the funds being lapped up very quickly by these big corporations. They can lap up a huge amount of funds very quickly. Perhaps they will show in terms of the number of people employed that we are genuinely getting value for our money. The fact is that all the employment might be in one area. While one little pocket may be satisfied, countless numbers of small communities may not benefit. One operation may be a small one.

The number of small manufacturers springing up is rather fantastic. Somebody out there is building cupboards or little rock pickers; somebody out there has a new idea for a lift. Ideas are springing up in the minds of people who have creative imaginations but no capital. Perhaps they do not have too much business training, but they know their idea will sell, and eventually they prove themselves. There are many such enterprises across the country. It does not matter if one goes from east to west, from Quebec to Saskatchewan, I am sure there are such enterprises that are good for small communities.

I know of what I speak because I come from a very small community which had no opportunity, so to speak. Just a few miles down the road people started enterprises which really built up the town. Their first concern was how they could do something for the little community. That is good for the country and good for the community. There is local spirit. As these enterprises get bigger and bigger, especially those related to housing, schools and hospitals with their growing staffs, unfortunately they move on to larger areas. But many still remain and will remain, and they are the only things which keep a lot of these small communities alive.

As long as we do not lose sight of the original intent of the bill, to develop areas that do not have opportunities, everything will work out. If we lose sight of it, we will never get any opportunities from private enterprise because there is not a dollar to be made. I do not mind that type of assistance. It is the same as not minding it when we assist the lame or sick. Surely we all have that in our hearts, but we object to money being spent on enterprises which are sometimes questionable. We must have some satisfactory answers.

Another comment I want to make relates to a few enterprises that have been undertaken but sadly have folded. In fact, I could point to a smoked fish operation in my own area. Everything was fine. They had the co-operative fisheries, the fish, and they were right beside the lake. Also they had the great idea that there would be a market. Everything was satisfactory. They had a big opening of the plant. I suppose the "who's who" of the community came in, had a few drinks, made a few speeches, and everything was go. Approximately two weeks later the place folded up because somebody forgot to do a little research on the market possibilities. To this day I am sure one can find operation after operation similar to that.

I can think of a macaroni plant in Saskatchewan which was just another example of failure because of lack of research. I will not dwell on these failures because they will happen; there will always be failures. One can attempt something one thought was a great idea. One can try as one might, and it just turns out to be a dud in spite of all the planning, thinking, and so on. I am sure the best intentions were there, but when the departments of two levels of government, provincial and federal, are involved, you should have some expertise in order to do better research. I am not going to dwell on this. I will accept that there are failures, but when you do not have satisfactory answers people are turned off.

● (1540)

People are turned off by that type of bureaucracy, if I can call it that. As a result they become cynical, and when they know this department is involved in any program they are inclined to say it is just another one of its operations. This does not mean there are not people involved who are well intentioned and well meaning, but somewhere along the line they get bogged down.

In some of these projects there was probably a certain amount of risk involved. As I have said, I am quite prepared to accept that there are a few failures. I do not want to have to apologize for what has taken place, or for mistakes that have been made, because there have been many successes. One can pick up a newspaper and read all kinds of rumours and speculations about this fellow and that fellow involved in a scandal here and a scandal there. They are scandal sheets, you see, but there are many good things happening in this world that do not make news. The good things are accepted, but if you have a nice talking point for conversation down the corridor or over a coffee roll, and that sort of thing, you can attract people. That sort of thing certainly attracts all the newspapermen because that is what they live on. People being what they are, I suppose they will be making comments along that line from time to time.

I do not want to continue, but I hope that before we get too far into rethinking the whole operation of the department we will have another opportunity to debate this so that other members can bring forward their ideas. I have just put forward a few ideas in the time allotted to me. I am sure there are many others who can put forward examples of things that have occurred in their own areas, and I hope they can present them before we have concluded consideration of this measure. This is a very good department and I wish the minister every success, but I hope the government will find a few more bucks to put into this fund so the department can do everything possible for depressed areas. Anyone who wants to check the books will find that there has not been a single cent put in since the last administration left office.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I believe members of the House are of one mind in wanting to conclude this debate prior to four o'clock and give second reading to the bill. Just let me make one suggestion to the minister, and this suggestion comes from having seen things as they have happened over the years during which DREE has been in operation.

In most cases under the Regional Development Incentives Act, as in the province of Alberta, the designated area line is drawn across the province. In Alberta everything above or

north of that line falls within the DREE designated area, while everything south or below falls within a prohibited area. As a result it does not matter how worth while a project may be, it cannot be assisted through DREE if it is south of that line.

As a matter of fact I know of one project that DREE officials said would qualify in every respect except for location. I do not think we should tie the minister's hands in that way. The minister should have enough flexibility so that he can consider a project and decide on its worthiness other than on the basis of its location. When a project must take place within a certain area, the purpose of the act is defeated. For instance, Fort McMurray lies north of that line in Alberta and there is no need for DREE assistance there. There is ample employment for thousands of people there, and things are going along fine. Perhaps we might find the same thing in other parts of northern Alberta, yet there have been projects suggested in areas south of the line which really would have increased production and provided employment, but the minister could not approve them because of that part which says projects must be in designated areas.

I would strongly suggest to the minister that in establishing these areas or regions, the provinces should be designated, perhaps with much stricter criteria. In this way it is more likely we would assist the most worthy of the projects, and I am thinking of those projects which would create the greatest amount of employment and contribute increased production. Those are two of the major criteria that should be established, the provision of jobs and increased production. When we increase production we add buoyancy to the economy and make things better for everybody. Every endeavour should be made to designate areas so that we do not bar worth-while projects, but rather accept projects on the basis of worthiness rather than location.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, like others, I am committed to allowing the bill to pass second reading before four o'clock. I know it is the disposition of hon. members that this bill be referred to the committee today. However, I want to make a few short remarks. I make a special plea to the minister that at committee stage he give some thought to one problem in relation to the DREE program. This has already been alluded to by my good friend, the hon. member for Bow River (Mr. Taylor). This problem arises from the fact that those of us in the province of Alberta live in a situation where DREE operates in the northern part but cannot operate in towns and communities in the south. Many of those southern communities should not be receiving DREE grants, but they should not be robbed because of criteria in the DREE program. This is the basis of the appeal I make to members of all parties today.

Let me give an example of what happened in my constituency. A company in the city of Saskatoon wanted to relocate a sodium chloride plant in Camrose, Alberta. Officials of the company assessed this beautiful prairie city for their purposes. They found there was an ample water supply, two railway services with all the amenities required. However, they found that if they located the plant in Grande Prairie, a rather booming and prosperous community at this time, they could get a $3 million write-off. Obviously, Camrose, Alberta was not to become the location of this plant when the company found it could write off several millions by locating somewhere else. What happened was that the plant was to be located there, rather than in an area where there is not particularly rapid growth, but can be described as fairly stagnant. Because of DREE incentives the company located in an area other than the natural location for that industry.

My appeal to the minister and to the hon. members who will be sitting on the committee is that they attempt to arrive at some mechanism through which DREE grants are given to industries which wish to locate in areas that are naturally compatible with their operations. Certainly it is logical that we should provide incentives to the pulp and paper industry locating mills in Whitecourt, Alberta. Certainly that is not the case in respect of a sodium chloride plant being located in a place quite removed from a network for shipment to the prairie farming area, because a sodium chloride plant essentially serves the farm industry. Such a location is a false location, and I think these things should be taken into consideration.

• (1550)

I hope that all hon. members will recognize the importance of ensuring that we use DREE as an incentive, not as a disincentive. I also hope that that particular point will be taken into mind by the committee and that it will attempt to do something to ensure that the dispatch of DREE money is done in an equitable fashion so that regions do not become angry, not so much at the fact that they will not be included in the project, but because a project hijacks businesses off to other parts of the country, leaving these regions void of the natural incentives that would have come their way had they not been syphoned off by DREE.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I intend to take only a minute or two. A number of members have referred to the disposition of the House to give this bill second reading this afternoon and send it to committee. We share in that disposition, but I would like to emphasize the point made by my colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), and by the hon. member for Central Nova (Mr. MacKay), that we think that the bill should be amended in committee so that the extension will be just for two years, not for five years.

It is very clear that if the program is extended for five years, the pressure would be off the government to rewrite the legislation and meet the various points which have been made today. If it is a two-year limitation, then we think that there will be more chance of the revisions which are necessary being made in the act. It is on that understanding that we are prepared to let second reading carry this afternoon so that the bill may go to the standing committee.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I can assure you that I will respect the time remaining this afternoon so that this bill may go to committee. As I have sat here and

listened to the remarks of my colleagues, and as I have realized that I am not on the committee which will receive this bill, I thought I should make just a few remarks in the few minutes that are remaining to debate Bill C-35 "An act to amend the Regional Development Incentives Act."

There are no regional incentives available in my area in British Columbia. I believe that the westernmost limit of the DREE boundary is Revelstoke, British Columbia, although perhaps that booming town of Kelowna was once considered a part of the DREE area.

It is probably a good idea to extend this act because there are needs in many areas of the country, particularly in Atlantic Canada which relies a great deal on DREE. I suppose that the extension of five years, or as the hon. member for Winnipeg North Centre (Mr. Knowles) has suggested, two years, will give the government an opportunity to redraft the legislation. However, there are one or two points which I would like to stress to the government at this time.

Like all government programs which involve handouts, the DREE program is subject to a number and variety of abuses. It also produces a number of bad effects in some of the areas in which it does not exist. There are many stories which hon. members can relate, and I will not go into the details although I have heard them, where in effect a particular business in a particular area receives the benefit of a DREE grant and, as a result, a short while later a perfectly viable competitor of that business in a non-DREE area is forced to close down because of the competitive advantage created by the DREE grant to the business which received it. The grants are usually used to extend, expand, or even commence a business.

There is a need for the extension of the program in the business field, but I think that the fact there is a need for this extension indicates, or should indicate, to the government that its policies for industrial stimulation are inadequate in the areas where this help is needed and that the program itself must be tightened up to prevent the kinds of abuses which exist. There should also be measures to prevent the inequities where an area is being helped, while another area is being hurt.

What should be learnt from the fact that DREE has had to be created and extended is that the government should have a better look at its over-all industrial strategy so that programs such as this can be eliminated and business can be left to expand on its own without the use of taxpayers' dollars.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Regional Development.

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, I thank hon. members for their co-operation this afternoon in getting Bill C-35 to committee. We do have a few extra minutes, and I assume that we will move immediately to private members' hour. I would just state before some hon. members leave that next Wednesday we will be dealing with the Committee of the Whole stage of Bill C-19 which, I understand, is close to being wrapped up.

Mr. Knowles: Not next Wednesday.

Mr. Collenette: Pardon me, it is not next Wednesday, but next Thursday.

Mr. Knowles: Then I do not need to correct you.

Mr. Collenette: Then we will go on to Bill C-3, "An act to amend the Unemployment Insurance Act". Of course next Wednesday, as my friend, the hon. member for Winnipeg North Centre was most agitated to tell us, is an opposition day in the name of the New Democratic Party.

Mr. Knowles: Mr. Speaker, I am glad that the Parliamentary Secretary to the President of the Privy Council realizes that next Wednesday we are giving the Liberals the opportunity to vote for the same motion which they voted for last December 13.

Mr. Malone: Mr. Speaker, could the parliamentary secretary indicate when Bill S-6 will come before the House? Will it be next week?

Mr. Collenette: Mr. Speaker, it was our intention to bring Bill S-6 before the House this afternoon, but there was so much discussion on Bill C-35. We were also intending to call Bill C-22, for which the President of the Treasury Board was present most of the afternoon. Bill C-22 was ahead of Bill S-6. I cannot give the hon. member a commitment, but it will be soon.

Mr. Deputy Speaker: It being four o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: Shall order No. 4, standing in the name of the hon. member for Vancouver-Kingsway (Mr. Waddell), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 6, standing in the name of the hon. member for Regina West (Mr. Benjamin), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 7, standing in the name of the hon. member for Hillsborough (Mr. McMillan), stand by unanimous consent?

Some hon. Members: Agreed.

* * *

CANADA ELECTIONS ACT

AMENDMENT RESPECTING OPINION POLLS

Mr. Jack Shields (Athabasca) moved that Bill C-208, to amend the Canada Elections Act (publication of results of opinion polls), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, I am pleased to have the opportunity to rise and present this bill, an act to amend the Canada Elections Act, respecting public opinion polls, to prohibit the publication of polls during the final 14 days of an election campaign. I am sure that all hon. members present will recognize that during the last two weeks of a campaign there is usually a barrage of polls. They come out of our ears. The weekend before election day in the last campaign there was a spat of polls by the Toronto *Star*, FP Publications, CBC and CTV, all with different predictions. The most respectable poll of them all, the Gallup poll, overestimated by 9 percent the Liberal vote in the last election.

I would submit that these polls create confusion among voters and demoralize party workers, candidates, and volunteers. They not only have an effect on the parties and the electorate, but perhaps they also interfere with our democratic process. I appeal to hon. members of this House to be open-minded about polls and about my proposal. I would like very much to see this bill go to committee for further study.

There is a greater deal of interest in whether or not polls create unrealistic voting patterns. The purpose of this bill is to protect the freedom of information available to the voter and to protect our electoral democratic process. It is not censorship. Many journalists and social scientists share the concern that I am expressing today.

● (1600)

I believe in polls but I am concerned about the misleading emphasis that they create, particularly during an election and more particularly during the last two weeks of an election.

I believe in polls but I am concerned about the pretence of the pollsters. Do they really know what they are doing? Sometimes I wonder what they are dreaming of. I think we must put polls in their proper perspective. I am concerned about too much emphasis and the wrong emphasis on polls.

Recent findings published on the "Watson Report" on March 17, 1980, showed that 92 per cent of the people interviewed who voted said they were not influenced by the polls. Eight per cent said they were influenced by the polls. I should like to remind the House that just five per cent may swing an election result one way or the other.

The program also stated that 66 per cent of those who voted and were interviewed believe that others were influenced by the results of the polls. But most people never read the results of polls; all they read are the newspaper headlines which, I submit, highlight the findings and predictions.

I have a very strong belief in our electoral process, Mr. Speaker. General elections are held to elect 282 members of Parliament from 282 different ridings. Elections are a process of our parliamentary system, but polls focus attention on party leaders, not the individuals who are running for election to Parliament. By asking questions such as "which leader would you vote for?", polls may contribute—although unconsciously—to another form of democracy, namely, leadership democracy or leadership by the one strong man.

Perhaps the leader of this party was the victim of this kind of polling in the last election, and I would even suggest that the Prime Minister (Mr. Trudeau) suffered the adverse effect of polls in the May, 1979, campaign. If that is so, the poll or pollsters may be misleading the public as to what an election is all about, and influencing them in deciding for whom they should vote. I should like to remind hon. members that only the people of Mount Royal, Oshawa, and Yellowhead can vote for the respective party leaders when they vote for a member to represent those ridings. To ask all respondents which of the three they would vote for is to place emphasis on a false concept of democracy. Ours is a parliamentary democracy in which 282 members are elected. That is what determines the democratic process, not a misleading question about an unwarranted concept of democracy.

Rather than reflecting the results of our parliamentary elections I believe that pollsters pretend or dream of direct democracy, electronic democracy, or instant democracy, like instant coffee. I think they would like to announce the results and predict the outcome of the elections prior to the writs being issued; I think they would like to predict the results and to indicate the results before they are in, say on the weekend before election day. I think they secretly dream that some day, with more sophisticated technology, it will be possible to poll everyone so that we will not even have to go to the polls on election day although, of course, that is the only poll that counts.

The relationship between polls and our parliamentary democracy should interest all members out of a public concern, if not out of personal interest. We must face the question of possible direct interference in the future of parliamentary democracy.

Ivor Thompson of Thompson, Lightstone and Company, a marketing research firm, made the following admission:

These polls would be more accurate in the American system, but in a parliamentary system, they don't really reflect who will end up in Ottawa.

Pollsters may perceive and conduct interviews during an election as if it were a presidential election race rather than a parliamentary election. The newspapers that buy these polls and headline the results may contribute to the selling of a presidential candidate rather than informing the voter about the nationwide election. I think they do a disservice and actually create news rather than reporting it.

I should like to comment on the measure and meaning of polls, Mr. Speaker. I contend that they misplace emphasis and mislead the public by putting measurement before meaning, by putting quantity before quality. We must question whether pollsters know what they measure. It should be kept in mind that polls do not measure the electorate. At best they only measure a random sample of all Canadians, not a random sample of all Canadian voters. The undecided are distributed among the parties as if decided.

I say that polls cannot predict election results even though they pretend, confidentially, that they can, days or weeks before an election. The margin of error in polls is too wide. Depending on the size of the sample, the margin of error may vary from 2 per cent to 4 per cent and the sample has to be doubled in order to reduce this. Gallup cautions that with the margin of error at 4 per cent the poll will be accurate 19 out of 20 times. I would point out, however, that they are not measuring 282 ridings so it does not give a clear indication of what is going to happen. Apart from the margin of error or accuracy, the polls do not translate these percentages into the number of seats for each party.

My point is, Mr. Speaker, that pollsters may not know what they measure. They may measure or question an individual in his role as consumer rather than as citizen or informed voter. I think polls have some real impact upon voters. Voters may decide to stay at home, for instance, if one party is shown to have a very significant lead. A voter may be of the opinion that there is no use voting because the other side is going to win anyway. Volunteers working for parties, whether they be Liberal, New Democratic or Conservative, may be buoyed by the results of the polls or they may be deflated. This may affect the strategy of that campaign organization. It may make them focus on different things. That, in turn, does affect the voter. As a direct result that can happen.

● (1610)

With respect to third parties, a poll which indicates an increase in opinion for a third party—in this case it would be the New Democratic Party—would have a negative effect on that very third party because the polls would indicate that a minority government would be elected. Therefore voters would decide they were not going to vote for the third party but would rather vote for the one that has a chance of forming the majority government. I think that is wrong.

Clearly I think we have to limit the polls and their influence on the electorate in Canada. I submit that polls influence the journalist, the man who is interviewing the various candidates. If there is a poor showing in the polls, the journalist will lose interest because he knows that when he writes the copy that that copy will not be printed in the newspaper under his byline. What he wants is his byline, and he does not then focus on the issues but on the polling results. In my opinion that is detrimental to the democratic process and the system under which we operate in Canada. There is already a real danger that newsmen and newspapers cover our parliamentary election as if it were a presidential race.

I submit also that polls are inaccurate because they only reflect a moment in time. They are like a snapshot. In the meantime, between the measuring and the taking of the polls, other greater events may have outdated the results.

During the May, 1979, election a CBC poll was conducted by Carleton University in which interviews took place between April 30 and May 10. They were published on May 15, but the TV debate among the leaders occurred in between. This then would not have given an accurate picture of what the polls were actually saying. I am not against polls if there were time to validate the methodology of polls. A last weekend blitz or barrage of polls is dangerous because no one can check the validity or the accuracy of these polls. Instead this would allow everyone time to concentrate on the issues, on the policies and on what the candidate is saying rather than on the polls. That would be what the news is, not the poll itself.

I am not against polls, just the publication during the final two weeks. My Polish friend is going to speak on this subject and that is why I say I am not against Poles. I would like him to know that. I am not against polls, just the publication during the final two weeks. I am not advocating censorship or a board of censors. What I propose is not something new, it has been proposed before. There is a lot of support for this. It warrants a discussion and it warrants a committee looking at the issues. The present Canada Elections Act already prohibits publication of advertising and polls on election day or even the day before an election.

I would like to see the results of public opinion polls banned for 14 days prior to election day. I am suggesting that it be done to safeguard the democratic process, and to permit the electorate a free, unhindered choice. I am proposing that this prohibition be extended to two weeks, or 14 days, for polls in the light of potential interference in our parliamentary democratic electoral process.

Mr. David Smith (Don Valley East): Mr. Speaker, thank you for providing me with the opportunity to participate in this debate on Bill C-208 sponsored by the hon. member for Athabasca (Mr. Shields). The purpose of his proposed amendment to the Canada Elections Act is to prohibit the publication in any manner, during the 14 clear days preceding the time that polls are closed in an electoral district in which an election is being held, of the result or purported result of a poll of the political opinions of electors in relation to the election. This is totally unacceptable. It is an insult to the intelligence of the Canadian electorate, and is a denial of their right to information about themselves.

At first glance it seems rather shocking to see such a proposal to muzzle the press, and to deny information to

people, coming from a member of the Conservative party, a party which has been an energetic champion of the cause of freedom of information. It is interesting that this comes when that party is out of office, and it is apparently now in the best interests of the country. However, members of that party have not been known for their consistency.

I note that the hon. member for Cumberland-Colchester (Mr. Coates), who is quite a guiding light in his party, and one who is trying to assist his leader in many ways, has sponsored Bill C-262 which would prohibit the publication of the results of opinion polls for the entire election period. That may be a little sterner stuff, but I think the real problem of what we are talking about here is that such a bill really does not treat the Canadian people with much respect. I think it more or less implies that they are like lemmings, that they are like sheep, or like buffalo out on the prairies stampeding in one direction, and that direction is whichever way the polls seem to be blowing.

These fears for the ignorance and gullibility of the electorate for only two weeks do not make much sense to me. I am reminded of the phrase by Franklin D. Roosevelt that fear is nothing but fear for themselves, and he should have known. In 1936 there was a very famous poll conducted during the U.S. presidential election, which showed that Alf Landon would thump Franklin Roosevelt. What in fact happened was that Roosevelt thumped Landon, but the *Literary Digest* only consulted people who subscribed to the magazine, and in the middle of the depression the only people who could afford magazine subscriptions were all Republicans. Not too long after that the *Literary Digest* went out of business.

One can only hope that this House will give this bill the treatment it so richly deserves which was meted out to similar bills sponsored by the hon. gentlemen from Cumberland-Colchester North and Burnaby-Richmond-Delta in the first session of the Thirtieth Parliament. Both bills, C-213 and C-404 respectively, would have prohibited the publication of the results of opinion polls during an election, as is proposed by the hon. member for Cumberland-Colchester in this session.

I might note that a very distinguished member of this House, no less a distinguished member than yourself, Mr. Speaker, said, and I will quote from the Minutes of Proceedings and Evidence of the Standing Committee on Privileges and Elections for Tuesday, April 13, 1976, as follows:

MR. FRANCIS: Well, if you were to try to do it on a national basis, you would have the kind of thing where the Detroit paper would do a poll on Canada and publish it in Detroit. The United Kingdom tried to do this and they had it from Radio Luxembourg, beamed at the United Kingdom, back and forth. I just do not think it is enforceable. And, while I do not like opinion polls, and while I understand why someone presented the bill, and I wish I could think of a good, legitimate, valid reason why I could achieve the same result, I have to say, deep in my heart, I think it is wrong.

● (1620)

That is the end of the quote from yourself, Mr. Speaker.

Mr. Knowles: On a point of order, Mr. Speaker, I wonder if it is in order to bring the occupant of the chair into the debate.

Mr. Smith: The point is well taken. I was just reading from the minutes of a committte. The point that was raised in that committee is a good point. What would happen if a Detroit radio station decided to make public the results of a poll done in Canada? With the techniques we now have, with these discs you could have an Atlanta television station braodcast the results of a poll. People all across Canada could have their discs aimed at some satellite and get the results. Are we going to try to stop this? It raises rather horrendous scenes.

You can picture people in eastern Europe huddled beside their radio with the lights out, or turned down very low, listening to the "Voice of America", waiting for the police to break down the door. I can think of many movies of the second world war where the Gestapo would storm in and find somebody with the earphones on. Is that the sort of thing we are going to do?

Once we start muzzling the press and denying the press the right to publish information, where do you stop?

I understand the motivation behind the bill presented by the hon. member, but it is a very slippery slope. Once you start that sort of process, I do not think there is any guarantee that it will not creep away and creep away and eat into very fundamental and precious rights. We have always had a free press in this country.

What would happen if somebody took a poll and we had a version of a Hyde Park corner in this country? Sometimes if you go to Toronto City Hall on a Sunday afternoon you see somebody on a soap box. You see the same at Allen Gardens and a few places in Toronto where there are corner orators. Are you going to extend the bill to preclude somebody from taking a poll himself and standing up on a soap box to announce it?

Where do you draw the line? The final week ban on publication of poll results involves a clear and obvious abridgement of freedom of expression. It would restrict individuals, the press, magazines, radio and television, for a crucial seven-day period. In the language of journalistic ethics it would flagrantly and without any question abridge the public's right to know. If a late change in public sentiment were under way, this rule would require that knowledge of the change be withheld from the general population. The bill's sweeping demand, it should be noted, would withhold all polls, those accurately reflecting the trend as well as those that might in one way or another be seriously misleading.

Look at the results of the last election. Does anyone think that the results were seriously affected by the polls? Certainly the polls were broadcast far and wide. The voters in western Canada were not influenced very much by them if they believed the polls which indicated that the Liberal party would do well in eastern Canada. It did not cause a stampede toward the Liberals on the prairies.

Mr. Knowles: It caused a stampede the other way.

Mr. Smith: Perhaps if anything it did cause some weakening of our support. Look at the polls. They were not all saying the

same thing. The CTV poll, the CBC poll, Carleton university poll, and the Toronto *Star* polls were not giving the same amounts, but they were all indicating the same direction, and the direction was that the Liberals were going to win. In fact they did win.

What would happen, for example, if we were to ban polls just during the last two weeks? The Ken Taylor "Iran incident" caused the Tories to think that this might be their salvation, that it might turn things around. Anyone working in the campaign in Toronto during that election who talked to a Conservative worker knows that this gave them a real shot in the arm, a real flow of adrenalin. They could hardly wait for the next poll to come out. They felt that somehow a twist or a change in their fortunes would be indicated as a result of that Iranian incident.

Would we deny them the hype or the adrenalin or the good morale that would result from an incident that might happen toward the end? Are we to say that during the first part of the election when something great happens, the polls will reflect it and you can let the effect of that be indicated on the electorate and allow them like lemmings to go in that direction, but that cannot happen in the last two weeks? If that were the case they probably would have asked Ken Taylor to get out of there two or three weeks earlier so that there would be time for the polls to reflect the upsurge in their fortunes. This is the ridiculous sort of thing this legislation could trigger.

One point that was raised by the hon. member for Athabasca was the way in which knowledge of how the mood of the country was going would affect the decision of a voter. Somebody who may feel strongly about a majority government might like to know if one of the two major parties had a better chance to form a majority government than the other. Somebody might prefer one of the two major parties, but actually liked minority governments. If he thought the NDP had a chance of holding the balance of power, he would vote for them, but only if they were going to hold the balance of power. I do not see anything wrong with that. That is valid is informaton. Why should we deny the electorate that information?

The electorate, if anything, in terms of knowledge of politics, elections and the issues, are increasingly becoming more sophisticated. I do not think we need to stop up their ears so they cannot hear information they always had a right to have because somehow their minds are going to be tainted and they will go off and do something they would not otherwise do.

If somebody was very concerned about having majority government and wanted to know which party had the best chance of forming one, he could do his own poll. However, the results would only be relevant in his own riding, and his riding might be going in the direct opposite direction of the rest of the country. When we have such a spread-out country, almost 5,000 miles long, it is valid for a person in one part of the country to want to know how people in the other parts of the country feel. That is valid.

Our party will take its chances on the impact that such information will have on the electorate. I do not think the possibility that somebody's vote, and I do not think it is very many people, may in fact be determined on how the mood of the rest of the country is going, and cause everyone to react in the same way. The results, particularly in the area of the country west of Winnipeg, in the last election will indicate that. If there was a buffalo stampede out there, it was not in our direction. It was in the opposite direction, notwithstanding the fact that the polls and the direction of the polls were well known.

Another interesting question that arises is the difference between the work of a political commentator, of a syndicated columnist, of a magazine writer, and the work of a pollster. Let's assume a rough equivalence in terms of talent and sensitivity on the part of the two. Are we going to say that a political commentator with a column in newspapers across the country, who can say he has been talking to a lot of people and it is pretty clear what the mood of this country is, and the Liberals are going to win this election or the Conservatives are going to win this election, cannot do that? People respect his judgment. They say that if Lynch, Fisher, Fotherington, Regenstreif say that, and he goes up on the mountain and gets it in tablets of stone, it must be true. If that is the information they are looking for, they certainly will believe Mr. Lynch or Mr. Fisher. Are we going to say to them they cannot be writing columns like that in the last two weeks of an election campaign? The bill does not purport to do that. But what is the difference?

• (1630)

If people are so easily influenced by what authoritative people may say about the mood of the country, rather than read polls by Martin Goldfarb or Peter Reigenstrief they will just read columns by Charles Lynch and Doug Fisher. And we all know how authoritative they are. They may differ from time to time, but so do the opinions of the pollsters. They are not always identical. That is another problem you get into if you follow this route.

I would like to refer to a statement by Mr. Lynch in a column he wrote on March 18 of this year. It was entitled "Effects of Polls Overshadow Roles." One sentence in that column really says it all:

> Polls convey accurate information. Hence, those of us who are committed to freedom of information must support publication of the polls.

Such is clearly not the position of the sponsor of the bill before us, a member of the Conservative party, the party which is well known for its championship of freedom of information. We certainly find them in a paradoxical situation here with all the polls which have come out, particularly in the last election. I am sure there were many more polls taken in that election than in any previous election in Canadian history.

The New Democratic Party, the third party in the House, has more members than it ever had before, and I am sure it was never more clear to the Canadian public that the NDP had no chance whatsoever of becoming the government. However, the polls did not, unfortunately, stop the people of this country from returning that party with more members than it

has ever had. So there is no statistical evidence to show that the people are fooled by polls.

Mr. Speaker, I am disappointed that the party which champions freedom of information should suddenly want to muzzle the press and deny the Canadian people the information they have always had. They want to put us all into the situation of people behind the Iron Curtain; we should huddle beside our radios late at night, turn on the news from Detroit, turn off the lights so the RCMP will not break down the doors, and get the news of the latest polls to find out what is happening in Canada. As sure as I stand here today, that is what would happen if this bill were to pass. For those reasons, Mr. Speaker, I am sure the measure will not pass.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I rise in support of the measure and I congratulate the hon. member for Athabasca (Mr. Shields) for bringing the bill forward and for the very responsible position he has taken in the contents of the bill, as well for his very well-reasoned speech.

I must say I was disappointed with the previous speaker who attempted to suggest, within the context of the motion, that it is a denial of freedom of speech. It is not a case of muzzling the press at all. As a matter of fact there are many journalists who have reservations about the way in which polls are conducted in this country and the degree of accuracy they reflect. The difference between reporting polls and talking about a person who wants to express an opinion on the outcome of an election is that polls are perceived to have some scientific or technical connotation to them, something done in a professional and scientific manner in which an adequate and accurate expression of opinion has evolved through the process of a survey. But we know, Mr. Speaker, that many of these surveys are quite inaccurate.

I certainly support the measure and I hope hon. members will see fit to send this proposal to committee for consideration. The member for Don Valley East (Mr. Smith) forgot to mention that the Prime Minister (Mr. Trudeau), when the Speech from the Throne was introduced, said we would be looking at ways and means of improving the electoral process. Surely this is one area of reform which should be considered by a committee of this House, because there are different views held. As a matter of fact there are members on the other side of the House who share the views of my hon. friend from Athabasca. In *The Citizen* of June 20, 1980, there is an article entitled "MP Against Polls During Elections". It says:

> A Liberal member of Parliament has called for a ban on the publication of public opinion polls during election campaigns.
>
> Gilbert Parent, MP for the Ontario riding of Welland told the annual meeting of Central Canada's radio and television journalists Thursday that polls shouldn't be published in the month before voting day. He said during a panel discussion polls adversely influence voters and can be manipulated.

The man across the way who has just spoken with all the wisdom and expertise of the collective view of that group over there has certainly not polled his members, because there are many members on that side with whom I have discussed this question personally who have reservations about polls.

It is really unfair for a member, in spite of his strong position on any particular issue, to suggest that the collective wisdom of this House is not a better balance than the collective wisdom of a few of his cohorts for whom he speaks. Nevertheless I share the view of my hon. friend from Athabasca and of the hon. member for Welland (Mr. Parent) that polls can interfere with the orderly democratic process.

One of the reasons we have polls—and this was alluded to by the member for Athabasca—is that there are some people who are over-anxious and who want to know beforehand what the outcome of an election will be. The journalists and pollsters take great pleasure in attempting to predict the outcome of an election beforehand, and I think that in the process they can distort voting patterns of individuals and of groups of individuals.

What is more disconcerting is that we are increasingly being bombarded by various types of polls, conducted with varying degrees of expertise; indeed, some lack any scientific method in the approach taken. As a result there is, I think, an increasing tendency for greater inaccuracy. This can cause confusion in the minds of the electorate, and I certainly find this to be unhealthy. As hon. members know, politics these days is a pretty complex game without making it more confusing by carrying out surveys of opinion which may or may not reflect what is actually factual.

The point I want to make is that when there is doubt as to the accuracy of a professional group of pollsters there is certainly even more room for doubt with regard to surveys and polls conducted by those who are not classified as professionals—I would classify them as amateurs. For example, we only have to look at the last election. A Gallup poll published just prior to the election indicated 48 per cent would vote Liberal, 28 per cent would vote Conservative, 23 per cent would vote NDP, and 2 per cent would vote otherwise. Well, that indicated there would be a 20-point spread between the Conservatives and the Liberals on the basis of the poll findings. The final result showed there was only a ten-point spread. That is a tremendous and gaping inaccuracy, Mr. Speaker. The final result was 43.9 per cent Liberal, 33 per cent Conservative, 19.8 per cent NDP, and 1.6 per cent Social Credit. I submit that this is a tremendous inaccuracy, Mr. Speaker, in terms of the reading of a survey such as this which is done in a very professional way, I am told.

● (1640)

There is no question, as has been pointed out by my colleague, the hon. member for Athabasca, that there is room for doctoring and manipulation, and I suggest that that constitutes a very unhealthy intrusion into the democratic process. My friend across the way quoted Charles Lynch. He quoted a section which would bolster his argument, but I believe as well—and this is the other point I want to make—that there can be a built-in bias in any poll that is taken. Mr. Lynch makes reference to that fact—and I quote from the Montreal *Gazette* of March 18, 1980—when he states:

In their efforts to convey information, the pollsters frequently oversimplify and create at least the impression of prior bias.

Prior bias is an essential ingredient in opinion journalism, and as a political columnist I'd be lost without it. But the polls have developed to a point where they have more influence than those of us who seek to provoke interest and discussion by offering comment on political events.

Of course if there is a bias and an inaccuracy—and as the hon. member for Athabasca indicated, there is really no way of checking that three or four days before an election is held—there can be a disruptive effect upon the outcome of an election, and I believe that is wrong and does constitute an infringement upon the orderly process of parliamentary democracy.

In an article on Tuesday, May 6, 1980, in *The Globe and Mail* the very famous Goldfarb talked about the ability to manipulate. He used the word "massage", and I quote:

We ask people questions, then we take the data and massage it to make it mean a lot more than they intended. We are looking for insights or clues. We supply the figures, but we also come up with . . . interpretation—

That really suggests to me that it is not an exact science. It is a science which can be misleading and manipulative. As far as I am concerned, it does not and should not have a place in our parliamentary process during a time when people want to assess and judge the pros and cons of political parties, leaders or positions.

The hon. member for Athabasca also pointed out the fact that in polls there is a tendency to single out leaders, individuals, or certain issues and that in the whole process the individual member of Parliament who is running for office in a given constituency is nothing but a glorified door-knocker. I think it does tend to take away from the importance of the individual member of Parliament.

I suppose it is fair to say that, if we were to believe the polls, the late right hon. gentleman from Prince Albert would never have been the prime minister because the polls said he could never win. Of course I can only conclude by saying that the late and great Mr. Diefenbaker, who was a great friend of this House, had an opinion of polls. He suggested that only dogs knew how to treat "poles" at election time. In many respects there are some of us in this House who share that view because of their record in the past. We believe that this measure and this issue should be brought to the attention of the House and considered by a committee. I was very surprised that the spokesman for the Liberal party pretty well closed the door on that opportunity, because if we are looking for a process of electoral reform and improving the election process, this surely is a measure we should look at very carefully and seriously.

Let us at least analyse it. Let us not just close the door and suggest that what we are doing and what we are allowing to happen is right. Let us at least be bold enough to say that there are some concerns and some expressions of opinion both in favour and against the issuance of polls just prior to an election. Let us look at this. Let us have some expert witnesses put forward their cases, and then we could have a clear and informed hearing on the issue. Members of Parliament could debate the pros and cons. This bill would provide the opportunity and avenue for that to occur, and I earnestly solicit the support of all hon. members to ensure that that process takes place.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I am not going to take very long, but I want to place on the record the fact that I dislike very much the conditions of this bill. I listened to the hon. member for Athabasca (Mr. Shields), and as he spoke I had the impression that he had considered his arguments seriously and developed them well, but I think he missed the point.

I do not like the underlying suspicion of voters which rests behind this bill, and I do not like the underlying attack on the freedom of our press.

I would like to express my opinions a little more positively, if I may. I believe that voters form their opinions logically and that voters have their reasons for forming their opinions, and I believe that polls tell us the score. They are not the score itself. The hon. member for Vegreville (Mr. Mazankowski) spent a little time talking about the accuracy of these devices and about their reliability, and I toss back at him the idea that, if the scoreboard is wrong, that does not change the score.

I would like to quote, if I may, from the Saskatoon *Star-Phoenix* of April 1, 1980. I think the paper put the issue into some perspective. It said:

That issue is the control of information—

The issue in this kind of bill.

—which should be shunned by Parliament as an invasion of citizens' rights. The public is entitled to have all information possible about public affairs and, if a difference can be made, it is above all entitled to that information at election time . . . What is the issue here is an attempt to have Parliament decide what is accurate and what is inaccurate in the field of public information. The taking of this step would be very dangerous interference with the normal flow of such information. The decision as to accuracy can properly only belong to the public.

A leading Montreal pollster, Yvon Corbeil, has said that studies have shown time after time that polls have almost no net effect on voting patterns, and I agree with that.

I would like to try to put this bill into a little bit of perspective. Please note that it does not try to stop polls, simply their publication. If polls are so pernicious, why would we want them to continue in the midst of an election when our party planners and our leading politicians would have access to the information and would be forming decisions, but the public would be denied that information? Allan Frizzell of Carleton University raised an interesting point along this line. I will quote him directly:

What they are saying is "We want to know what is going on but we don't want you to know what is going on."

Stifling polls limits our freedom to take a look at ourselves and to understand how we collectively make a decision. It curtails the proper process of an election. It does not help the understanding of an election; it clouds it. The assumption that we are operating on with this bill is that polls change the vote totals through some kind of bandwagon effect instead of simply reflecting popular sentiment.

Any pollster will tell us that his poll is an historic document. It takes one dot in time and measures public opinion at that

time. It does not try to project or, as was stated earlier, to massage unreasonably. I think elections are decided by very different forces—by tradition and party loyalty, by region, by leadership and, above all, by the issues of the day. I think these are the real motivations.

● (1650)

I think 1980 was a typical election in that respect. In my riding opinion polls did not change the dislike of my voters for the 18-cent oil excise tax. It did not change the dislike of the voters in my riding for the failure of the government of the day to provide the mortgage tax credit scheme or the failure of the government of the day to provide some kind of new economic order. It was the government of the day that failed, not the opinion polls.

I suggest to the author of the bill that he has thought out his ideas carefully, but he should go back to them. If he does not like polls, perhaps he does not like their results. The simple answer for all of us is that perhaps we should do a better job and change the results. If the author of the bill considers this an abuse of the system, perhaps he should reconsider and examine whether we are afraid of a technique which tells us about ourselves and because of that fear he is ready to stifle a more fundamental liberty. In my judgment the best road to follow is to expand our information, to let this bill disappear without any further discussion, and to keep on with our efforts to broaden our understanding of ourselves instead of trying to stifle our understanding of ourselves.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Cousineau (Gatineau): Mr. Speaker, I am pleased to rise this afternoon on this abomination now before the House. It is an abomination, Mr. Speaker, that one should have the gall to introduce Bill C-208 sponsored by the hon. member for Athabasca (Mr. Shields). This bill will prevent the publication of the results of opinion polls during the 14 days prior to a vote in any riding where an election is being held. The introduction of this bill, Mr. Speaker, shows a lack of respect for our democratic process and the Canadian electorate.

[*English*]

The usual reason given in defence of attempting to deny the public access to information which may be of interest, if not of assistance to them, is that the publication of the results of opinion polls, either at any time during an election period or during the last week or two before polling day, unduly influences the voting behaviour of the electorate. It is argued that the publication of the result of an opinion poll showing one party with a substantial lead will create a bandwagon effect in which the voters will flock to the leading party in a desire to be on the side of the eventual winner. That is nonsense. It is an argument usually made by parties and candidates who have lost elections. If they had won, there would be no mention of undue influences, only of how accurate the poll was and how perceptive the electorate were. Therefore it comes as no surprise that it has usually been Conservative members of this House who have introduced bills proposing the prohibition of the publication of the results of opinion polls.

[*Translation*]

But where were all those voices last year and after May 22, 1979; where were those voices during the Thirty-first Parliament? They were all silent, Mr. Speaker. We did not hear any Conservative members talk about that, there were no motions or similar bills introduced.

[*English*]

The next argument of the supporters of bills such as Bill C-208 is that polls are inaccurate and therefore misleading, and that results should not be published in order to prevent the misleading of the electorate. I should like to refer to an article "Can We Believe the Polls?" It appeared in the February 13, 1980, issue of the *Toronto Star* and read as follows:

> While as a nation we are not as poll happy as Great Britain, clearly the polls are becoming an increasingly important part of our political life. Although there are those who would like to ban or control the use of public opinion polls in election campaigns, political realists recognize that they are here to stay and that their use by politicians, journalists and academics alike is likely to continue to increase.
>
> This raises the fundamental question: Can we believe what the polls tell us? The answer would seem to be a qualified "Yes".
>
> Those who use (or misuse) the information provided by the polls often overlook the fact that all polls, regardless of how carefully they may be done, are subject to error. But unlike other types of "error" that we make in forecasting trends in the weather, the stockmarket, etc., the error in polls is precise, predictable and based on sound mathematical probabilities.

[*Translation*]

Mr. Speaker, the Canadian Institute of Public Opinion issues a comment at the end of every report and points out that the figures given are not accurate and there is a margin of error of 4 per cent more or less in 19 out of 20 surveys it makes.

[*English*]

However, because a given poll is based on only one sample, there is no way to determine whether it is that one "bad" sample in 20. Therefore the probability of it being off by more than a certain percentage can only be estimated and the appropriate caution introduced in its interpretation, hence the standard Gallup statement. But how far out must an estimate be in order to be "bad"? This is determined by such things as the sample size, the methods used in organizing the survey, and the level of possible inaccuracy a client is willing to accept. The common Gallup level of plus or minus 4 per cent is quite commonly accepted and occurs frequently in nationwide random samples of about 1,000 respondents. While it is possible to reduce this somewhat by using larger samples, this is seldom done because it is simply too costly to justify the small gains in accuracy that are made. Conversely, very small samples become highly inaccurate and therefore are seldom used by reliable firms.

For these reasons most samples commonly used in Canadian polling have between 700 and 1,200 respondents. Larger sam-

ples are generally used only when more detailed regional breakdowns are required as in the recent CBC poll. While the probable accuracy of a given poll is easily stated, the true meaning of the notion of accuracy is often overlooked once the appropriate disclaimer has been made. We can take, for example, the Gallup poll of last November which showed the Liberals jumping to a 19 per cent lead over the Conservatives and the NDP rising to 23 per cent.

Mr. Knowles: Hear, hear!

Mr. Cousineau: That makes the member happy.

Mr. Knowles: That is a good note on which to end.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired.

[*Translation*]

It being five o'clock, pursuant to Standing Order 2(3), this House stands adjourned until Wednesday, June 25, 1980, at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Wednesday, June 25, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

SHORTAGE OF CATTLE FEED—CONTINGENCY PLAN TO ALLEVIATE PROBLEM—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the lack of pasture and shortage of cattle feed that is prevalent in several areas of the prairies, in view of the fact that a contingency plan was put in place in 1977 to allow hay to be cut in Riding Mountain National Park and Prince Albert National Park, and in view of the fact that limited grazing in Riding Mountain National Park would cause no appreciable or lasting damage to the wild life habitat, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Agriculture and the Minister of the Environment move immediately to allow cattle to graze, and feed to be harvested in Riding Mountain National Park and Prince Albert National Park where it is feasible.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

PRIORITIES AND PROGRAMS FOR 1980s—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise on a matter of urgency under Standing Order 43. In view of a Department of Indian Affairs report which restates what we already know, that Indians on reserves still are struggling to feed their families, acquire an education, find adequate jobs, stay off alcohol and keep out of jail, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the Minister of Indian Affairs and Northern Development immediately state on motions his priorities and programs for the 1980s to begin remedying this urgent situation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

COMMITTEE STUDY OF CONDITIONS ON RESERVES—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise on a matter of urgent and pressing necessity. Whereas in a recent report the Department of Indian Affairs and Northern Development has again admitted to very serious problems on reserves relating to crowded living conditions, and whereas infections, respiratory diseases, suicides and violence on reserves are four to five times higher than national levels, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the government House leader direct the Standing Committee on Indian Affairs and Northern Development to leave their committee rooms and go out as a group to at least 12 reserves, six in western Canada and six in eastern Canada, to gain first-hand knowledge of these deplorable conditions.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

GARRISON DIVERSION PROJECT—CANADA-U.S. DISCUSSIONS—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In light of the fact that it is expected the United States Senate will give consideration to an emergency appropriations bill that would provide $9.7 million in additional funding to the Garrison diversion project in North Dakota on Friday of this week, and in light of the fact that personal representation to U.S. senators on the part of Manitoba members of Parliament during this past week proved valuable in establishing Canada's case against the Garrison diversion unit and the environmental disaster it could bring to Manitoba, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That this House authorize an all-party delegation to be sent this week to Washington, D.C., to meet with U.S. senators to discuss the grave implications

for Canada of a Garrison diversion plan that allows the transfer of Missouri River biota into the Hudson Bay basin.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

OIL SUPPLIES FOR ATLANTIC CANADA—MOTION UNDER S.O. 43

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Premier Lougheed of Alberta has at his disposal some $6 billion in the Alberta Heritage Fund, in view of the fact that Premier Lougheed during a recent visit to Atlantic Canada discussed lending some $100 million to Newfoundland's Premier Peckford, in view of the fact that during the same Atlantic visit Premier Lougheed discussed investing Alberta Heritage money in Cape Breton's mines with Premier Buchanan, in view of the fact that Premier Lougheed also talked with Premier Hatfield of New Brunswick about loans and investment dollars, and in view of the fact that all three aforementioned premiers have developed a sudden need to restate their support for Premier Lougheed's demand for the world price for oil produced in Alberta, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Dingwall):

● (1410)

That this House of Commons affirms its desire to provide Atlantic Canadians with oil as cheaply as possible, despite what the premiers of Atlantic Canada are saying.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

INDUSTRIAL BENEFITS STEMMING FROM NEW FIGHTER AIRCRAFT CONTRACT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. In the recent contract signed between the federal government and McDonnell Douglas for the new fighter aircraft, the only province mentioned to receive industrial spin-off benefits is Quebec.

Given the fact that Canadians were led to believe the industrial spin-off benefits stemming from that contract would be spread equitably across Canada when, in fact, the ministers involved have stated on a number of occasions that Quebec will receive 48 per cent of the benefits from the contract, while Ontario will receive 39 per cent and the rest of Canada will receive only 12 per cent, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Industry, Trade and Commerce, the Minister of National Defence and the Minister of Supply and Services make an immediate statement on motions with regard to what Manitoba will receive in industrial benefits stemming from the McDonnell Douglas contract, and that the government call an immediate meeting with the Manitoba aerospace industry to secure adequate industrial benefits for the province of Manitoba.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL ECONOMIC EXPANSION

MODERN TRANSPORTATION SYSTEM FOR ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the Department of Regional Economic Expansion is responsible for development programs in the Atlantic region and is insufficiently funded for this purpose, and whereas transportation disparities are a deterrent to development in Atlantic Canada, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the Minister of Regional Economic Expansion be directed to prepare and lay before this House a blueprint to put in place a badly needed modern transportation system in the Atlantic provinces as a major measure to enable the Atlantic provinces to help themselves.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR DEVELOPMENT

CALL FOR FORUM FOR PUBLIC DEBATE—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43 and I shall limit myself to two "whereases."

Since the government does not appear anxious to provide an especially wide scope for public involvement in the review of Canadian nuclear policy now under way within the bureaucracy, and because what the country needs is a full public airing of all the issues and side issues touching on nuclear development, including the crucially important question of Canadian

nuclear reactor exports. I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the government expand the current inhouse review and establish instead a forum for the widest possible public debate on this extremely important question along the lines of that contemplated by the previous Conservative administration.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ARMED FORCES DAY

TRIBUTE TO CANADIAN ARMED FORCES—MOTION UNDER S.O. 43

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43.

Since today is National Armed Forces Day and the Canadian Armed Forces have received tributes from the Governor General, the Prime Minister and the Minister of National Defence, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House recognize, with respect and gratitude, the contributions of the Canadian Armed Forces to Canada in war and in peace, and extend its congratulations to the men and women of the Canadian Armed Forces for their effectiveness and dedication.

Madam Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

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

Motion agreed to.

* * *

● (1415)

AIR TRANSPORT

AIR SAFETY REGULATIONS—REQUEST FOR INTERIM REPORT OF DUBIN INQUIRY—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent importance.

In view of the startling testimony in recent weeks by many witnesses appearing before the Dubin Royal Commission on Aviation safety which all points to a general lack of effectiveness in the administration of air safety regulations in Canada, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Minister of Transport be directed to make a statement on motions before this House explaining the measures he has already taken to eliminate the many unsafe practices which have been documented before the Dubin inquiry and, further, that the minister be directed to request an interim report from Mr. Justice Dubin on his findings to date.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

DROUGHT IN WEST—GOVERNMENT ASSISTANCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence of the Minister of Agriculture my question is to the acting minister. The minister knows that the drought in western Canada is now an acute threat to western farmers and, indeed, to the general economy of Saskatchewan and of Manitoba.

On Monday, the government of Manitoba indicated that it could wait no longer for Ottawa's approval and it went ahead and announced its own program of assistance to the extent of $44 million. Even the railways have acted to help the farmers of Manitoba in working to move feed back to Manitoba where it is needed.

Will the minister tell the House of Commons why the Government of Canada is moving more slowly than the railways in responding to the drought crisis in Manitoba, and will he tell us when the federal government intends to accept its responsibility to show leadership in helping Manitoba deal with the drought problem?

Mr. Hnatyshyn: They are waiting for double-tracking.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Minister of Agriculture has already indicated a number of things that are being done with respect to alleviating the drought situation. The Minister of State for the Wheat Board has also indicated a number of decisions; for example, the allowance of feed barley from the United States under import permits. So all these measures are in hand now.

There are different views on the situation itself. Some people believe there are sufficient quantities of feed on the farms. The problem is that it does not come to the elevators as rapidly as one might like. But that is a normal situation because the farmer is trying to protect himself also in this difficult situation. To conclude, it is a very difficult balancing act and the three members of the government involved are monitoring the situation very closely.

Mr. Clark: Madam Speaker, the fact, which apparently escapes the notice of the acting minister, is precisely that it is not a normal situation. It is not a normal situation when the economy of Manitoba is threatened to the extent of perhaps half a billion dollars because of a drought crisis that only this minister would regard as being normal.

The minister said—and I quote him exactly; I noted his words down—"all those measures are in hand". Does that mean that the Government of Canada intends no further action? The railways are acting and the government of Manitoba has acted. Indeed, the government of Manitoba acted on Monday because it stated it could wait no longer for the federal Treasury Board to act.

Is the Government of Canada not planning more action? Why did the federal Treasury Board not act? What is this government going to do, and what can it tell the farmers of Manitoba and the members of this House of Commons about the plan of action it has to deal with the situation that is most certainly not normal to the farmers, who are suffering a crisis of drought in western Canada?

Some hon. Members: Hear, hear!

Mr. Pepin: Madam Speaker, to a certain extent, the Leader of the Opposition is describing the situation well. The CN is acting, the governments of the provinces are acting and the federal government is acting. That is the way to deal with that particular situation.

Mr. Clark: Madam Speaker, let me deal with one aspect of the federal government's action. This minister will know that the government has established an advisory group to the task force on the drought. Will the minister confirm that there is not one single Manitoban on that advisory group, and will he give us an immediate commitment, now, to establish a mechanism on behalf of the Government of Canada which will bring together, under federal leadership, municipal and provincial representation and ensure co-ordination in dealing with the devastating effects of the drought in Manitoba?

● (1420)

Mr. Pepin: Madam Speaker, I will certainly bring these suggestions to the attention of the Minister of Agriculture, who has the main responsibility in this area.

Mr. Clark: Madam Speaker, I will direct this question to the same minister, even though he may try to shove it off on someone else. The Premier of Manitoba indicated that his province is assuming there will be forthcoming from Ottawa a $14.3 million contribution by the Government of Canada as Ottawa's full share in dealing with the drought. That is $14.3 million that has not yet come. Will the minister now give this House and the farmers and people of Manitoba a clear commitment that Ottawa will honour at least that contribution of $14.3 million?

Mr. Pepin: Madam Speaker, as the Leader of the Opposition indicated in previous questions, it is not only a matter of money: it is mainly a question of putting into motion the necessary instruments to cope with this drought situation. For example, when the Minister of State for the Wheat Board allowed imports of feed grain from the United States, that was an important move.

It is not only a matter of saying we have allowed $14 million, more or less. Government action should not be judged exclusively on that basis, although I recognize it is one of the factors in this equation. The government has indeed put a number of millions of dollars into this process.

DROUGHT IN WEST—ASSISTANCE TO FARMERS IN MEETING LOAN PAYMENTS

Mr. Jack Murta (Lisgar): Madam Speaker, I wish to direct my question to the Minister of Finance. People in Manitoba and Saskatchewan will be trying to salvage what little is left of the agricultural economies of both provinces.

We have a situation in which farmers, young farmers in particular, and businesses which depend on agriculture have expanded. In many cases they will face severe economic crisis and possibly bankruptcy. Will the government consider some type of moratorium on debt in those two provinces, in terms of working with the credit unions and banks to try to stretch the loan payment that will be coming due in the next few months over a longer period of time, so that we do not have bankruptcies caused by an act of God in those two provinces?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not considered the question of a moratorium. The hon. member has indicated the difficulties which those who have loans may face in the future. Drawing upon the experience we have had with individual home owners who were renegotiating their mortgages with lending institutions, it was possible in that case to work out suitable arrangements which got those affected over the situation. It may be possible in these circumstances to do something similar. I thank the hon. member for his representations and will consider whether anything can be done short of a moratorium.

Mr. Murta: Madam Speaker, I assume the minister is indicating to the House he will give this request some attention and urgency because it is very serious. My supplementary is to the Minister of Transport in his capacity as acting minister responsible for the Wheat Board. He mentioned the fact that permits have been issued to allow barley and oats into Canada for feed supplies. Incidentally, there will not be enough feed for western cattle unless more is found.

My question is this: duty is still imposed by the federal government on grain coming into Canada, specifically barley, oats and alfalfa pellets. Will the government give consideration to taking off the duty? In the case of barley, it is about seven cents a bushel. Will the government give consideration to doing this because of the emergency situation that has developed?

● (1425)

Hon. Jean-Luc Pepin (Minister of Transport): My information is that the problem is not one of cost but of availability, so in this instance the Minister of State for the Wheat Board moved at the request of the livestock feeders to make sure that the feed barley would be available. I have not heard that this is a financial matter; I have heard the situation described as one of increasing the quantities on the market.

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INDIAN AFFAIRS

STEPS TO IMPROVE CONDITIONS ON RESERVES

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Over the weekend, the hon. gentleman's department issued yet another report on the condition of Canada's Indians, which is deeply disturbing. It reveals that in almost every aspect of life, whether we are talking about housing, educational opportunities, violence or health conditions, Canada's Indians live in a state which can only be described in general terms as deplorable.

Since the hon. gentleman's party has governed Canada almost non-stop since 1963—

Mr. Hnatyshyn: With your help.

Mr. Broadbent: —I should like to ask him when it intends to come to grips with its responsibility for Canada's original inhabitants.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I hope we can come to grips with it as quickly as possible. It is a disturbing report, there is no doubt about that. The fact of the matter is we have initiated an improvement in housing policy, we are getting the co-operation of DREE and we are also getting assistance from employment programs.

As the Leader of the New Democratic Party may remember, my colleague the Minister of Employment and Immigration announced that increased funding would be targeted to native groups. In addition, we are meeting with the Indian community with respect to increased funding for self-government, hoping to come forward with legislation in that regard perhaps in the fall. This could deal with one of the underlying causes of which many of the other items are symptoms.

We are giving our utmost attention to a mix of policies of this kind as a means of coping with a situation which is an unhappy one; there is no question about it. It may be small consolation but I would point out that the report did say that conditions, bad as they are, have improved over the last two decades.

Mr. Broadbent: Madam Speaker, I do not think anyone in this House can take any pride in the statement that conditions have improved for Canada's Indians, when 30 per cent die through violent means, a percentage which I suspect is higher than before the white man appeared on this continent, and when 50 per cent of the homes are without water.

In this context I would like to ask the minister: since the proportion of the funds allocated to social programs by this government has actually declined in the last ten years, contrary to what he implied in his answer, will he make a commitment this afternoon that the amount set aside in his budget for Canada's Indians will be substantially increased?

Mr. Munro (Hamilton East): I have already indicated that the government has under active consideration, right now, substantial increases in funding for houses which will be incremental, over and above the present commitment to all our programs. This report will undeniably have some impact on the thinking of the government and we shall certainly be looking into the areas to which the hon. member has drawn attention.

Mr. Broadbent: The House knows very well there is a distinction between the government considering something and the government committing itself to doing something. What we are calling for is action, not just thinking about the problem. In this context, the government has appointed a number of special commissions which have made sense, and obtained the support of all parties to deal with aspects of other problems in Canada.

● (1430)

I would like to ask the minister if the government will appoint, now, a special commission on Canada's Indians—which would have a deadline; it would terminate with the calling back of Parliament in the fall—to study past reports and to come back to Parliament in the fall with specific recommendations which should be acted upon before Christmas.

Mr. Munro (Hamilton East): Madam Speaker, the Leader of the New Democratic Party is suggesting a special type of legislative body to look into this question. I am prepared to consider it. I will say right now that we will give it consideration, but I point out to the Leader of the New Democratic Party that there is a standing committee of the House—one of the most active standing committees that we have—dealing with Indian questions.

That committee has been meeting regularly over the last several weeks. The hearings have been going on and a good deal of evidence has been received. All parties are participating. It could be an example of one of the most effective standing committees that we have. That standing committee has all the latitude it wishes in terms of going into this report and requesting further information.

I might say that the National Indian Brotherhood and others are in the audience. They are equipped to brief both New Democratic Party members of the committee and official opposition members. Again I suggest that the Leader of the New Democratic Party might take a hard look at the standing

committee in terms of its being a worth-while instrument to achieve this objective.

SELF-DETERMINATION FOR INDIAN PEOPLE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Would the minister not agree that little meaningful progress will be made on these terrible problems until the Indian people are allowed to control and run their own lives, rather than having solutions handed down to them from government officials?

Some hon. Members: Hear, hear!

Mr. Allmand: In this respect, would the minister take out many of the reports which have been prepared by the National Indian Brotherhood and some of the provincial federations and consult those reports, which propose solutions, and not just look at the reports prepared by his own department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, that is exactly what I have been doing for several months, looking at the reports which have come in from the National Indian Brotherhood and other provincial associations and Indian bands. That is why I have been going across the country talking to the Indian leadership and bands with respect to the government's priority for Indian self-government, with the hope that we could bring in legislation as early as possible identifying this very area, Indian self-government, to rebut once and for all the paternalism which has been such a degrading influence on the Indian people.

Such a new bill would establish Indian self-government at the option of the Indian people themselves. I am hoping I can get the co-operation not only of the hon. member—I am sure I will—but also that of all the opposition parties in achieving this objective.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER AND DELEGATION FROM SWEDEN

Madam Speaker: Order, please. I would like to draw the attention of the House to the presence in our gallery of the distinguished Speaker of the Parliament of Sweden, Mr. Ingemund Bengtsson, who is accompanied by parliamentarians from that country.

Some hon. Members: Hear, hear!

THE CANADIAN ECONOMY

VENICE SUMMIT—MEASURES TO BREAK INFLATIONARY EXPECTATIONS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance, whom I welcome back from being at sea in the lagoons of Venice.

At the economic summit in Venice it was agreed, and I quote, "that inflation should be given immediate top priority". The seven leaders agreed, and I quote, "that determined fiscal and monetary restraint is required to break inflationary expectations".

Could the Deputy Prime Minister tell us what measures are going to be taken by his government to carry out determined fiscal and monetary restraint to break inflationary expectations? Are there measures other than those now in effect? If so, what are they?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is quite right that this was underlined as the top priority for all the industrialized countries.

Before replying directly to his question, I might say that I did hear a number of favourable comments on the performance of the hon. member's leader at the last summit at Tokyo, and I pass them along with sincerity. The compliments did not include the hon. member for St. John's West.

Some hon. Members: Hear, hear!

Mr. MacEachen: We are, in a sense, anticipating the debate this afternoon in this question and answer, but I tell the hon. member that there are no new measures contemplated at the present time beyond the fiscal and monetary restraint which is in effect.

We have already indicated our intention to restrain government expenditures and certainly not to add to the deficit, and until the budget comes down it is not my intention to indicate any additional measures. I believe that maybe the principal job will be to resist the demands which undoubtedly will be made to increase spending and to relax monetary restraint in the face of the onset of the recession.

Mr. Crosbie: Madam Speaker, I am glad there was a frank expression of views and that the minister was informed that the quality of this year's delegation was not up to last year's.

The communiqué could have been written by governor Bouey of the Bank of Canada, who said on May 29 that we have to stick with the monetary and fiscal policy approach and limit aggregate demand.

In view of the fact that the minister and the government have now agreed at the Summit with the approach suggested by governor Bouey and that they should limit aggregate demand, that the minister said in this House that his policy and governor Bouey's are similar and that they are heart to heart and toe to toe, would the minister tell us how he intends

to limit further aggregate demand, particularly in view of the fact that there are now 904,000 unemployed as of May and the unemployment rate is forecast to increase? How is he going to carry out his and governor Bouey's policy and that of the seven samurai?

Mr. MacEachen: Madam Speaker, the communique at Venice stated that determined fiscal and monetary restraint is required to break inflationary expectations. That is the commitment that all of the seven made at Venice and with which Canada concurs.

At the present time, as the hon. member knows, the Bank of Canada is operating under a system of monetary restraint within a range of monetary targets. That certainly is monetary restraint, and I have indicated the intention of the government to restrain spending and to avoid adding to the deficit. That, in my view, is the reverse side of stimulating aggregate demand.

* * *

INDUSTRY

CANADA-U.S. AUTO PACT—MEASURES TO STIMULATE CANADIAN AUTOMOBILE INDUSTRY

Mr. Otto Jelinek (Halton): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. As he knows, one of the more damaging aspects of our over-all economy is the deteriorating auto industry, which has a $4 billion Canadian trade deficit with the United States, which is growing. Reports from Washington indicate that this deficit is largely of our own making and that the United States is not prepared to alter the auto pact in our favour at this time.

Could the minister now tell this House and, in fact, the 22,000 unemployed auto workers—not to mention the hundreds of thousands in the related ailing secondary manufacturing sector—when he intends to take made-in-Canada action in order to stimulate the auto industry in this country? For example, would he now be prepared to take our repeated suggestion and impose quotas on offshore vehicles?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the possibility of having a harmonized response to the problem of offshore vehicles is one of the priority issues for our discussions in Washington this Friday. I do not think I have to respond to unidentified comments on the front page of a newspaper, even one as important as *The Globe and Mail*.

We are going to have our discussions around the table with identified senior American authorities. In these discussions we are going to seek common ground on matters of mutual concern and, in doing so, I will be pursuing my objective for Canadian workers of obtaining a fair share for Canada of North American automotive activity.

Mr. Jelinek: Madam Speaker, I naturally wish the minister well in his deliberations in Washington this weekend. But there are other options which in the past the minister has sloughed off to the Minister of Finance. My supplementary question is therefore to the Minister of Finance.

● (1440)

Could he tell us whether or not his colleague, the Minister of Industry, Trade and Commerce, has asked him or his department to consider implementing some much needed stimulative measures for the automotive industry in Canada, such as temporarily removing the 9 per cent federal excise tax on North American-built vehicles in Canada, or any other measures which would give the auto industry a much needed stimulative boost?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Minister of Industry, Trade and Commerce is in constant communication with me and with other members of the economic ministry, not only with respect to actions to assist the automotive industry but to assist other industries in Canada. His leadership has already had a beneficial influence on the future development of that industry.

* * *

TRANSPORT

ENFORCEMENT OF AIR SAFETY REGULATIONS—NUMBER OF INSPECTORS FOR AIR AND RAIL SAFETY

Mr. Les Benjamin (Regina West): Madam Speaker, I should like to ask the Minister of Transport some questions. Since the Parliament of Canada over a number of years, and successive governments, have passed various laws and regulations regarding maintenance and safety procedures for the operation of commercial aircraft, I should like to ask the minister the following question.

In light of the evidence given by employees of the government at the air safety inquiry in Thunder Bay of planes being flown that are overloaded and poorly maintained—one of them crashing on March 24, when six people were killed—will the minister advise the House whether or not he intends to increase the number of safety inspectors and, more important, will the minister assure the House that he will not allow his officials, and he himself will not take part in or condone any action which undermines the recommendations of the safety inspectors regarding penalties or suspension of licences because of some possible political embarrassment to the minister?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I presume it is always a temptation, when a commission is created and evidence is brought to that commission, to act upon the evidence that is brought forward. But the purpose of the commission, obviously, is to come up with recommendations after evidence is presented. I consider that to be the normal way of proceeding. In the case of the Dubin commission, as in others, it would be wise to wait until the judge has assessed all the evidence and is in a position to bring forward his recommendations.

With regard to the number of inspectors, it is a major preoccupation of mine, obviously. In recent days I have made a number of moves to strengthen the capacity, particularly of the CTC in this regard.

Mr. Benjamin: Madam Speaker, can we take it from the minister's response that he will now succeed with the Minister of Finance and the President of the Treasury Board in securing restoration of the number of air safety inspectors and rail transport inspectors?

Can we take it that the reduction in man-years of the Canadian Transport Commission will not occur, and can the minister assure the House that he will now insist on full enforcement of the present laws and regulations, in light of the experience of lack of enforcement long before the present safety inquiry took place?

Mr. Pepin: Madam Speaker, I am quite sure that there is hardly any limitation in the number of inspectors that might be needed if one is to cover the whole of the land.

One of the purposes of Bill C-18, which is presently in committee, is to make the maximum use of inspectors at other levels of government than the central one, that is, at the provincial and municipal levels. When this bill is passed, a major effort in this direction will be made.

* * *

MINES

REQUEST TASK FORCE INVESTIGATE MINING ACCIDENTS

Mr. Maurice Foster (Algoma): Madam Speaker, in the absence of the Minister of Labour I will direct my question to the Minister of Energy, Mines and Resources. In view of the tragic mine accident last Friday in Elliot Lake, Ontario, in which three miners were killed—I am sure every member in the House would want to join me in expressing sympathy to the bereaved families—and also in view of the dramatic increase in mine accidents in Ontario in which some 17 miners and surface workers have been killed in the last six months, I should like to ask the minister if the government is prepared to take action to see a task force established, in co-operation with the province, to investigate this alarming increase in fatal mine accidents.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I understand that the Minister of State for Mines and the Minister of Labour have been studying this situation with great attention recently. I understand they are considering a proposal like the one suggested by the hon. member. I hope that both ministers will be in a position to give a definite answer to the hon. member very soon.

AGRICULTURE

DROUGHT IN WEST—ON-SITE COMMITTEE STUDY

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I should like to direct a question to the Deputy Prime Minister or to the government House leader. It has to do with the very serious situation in western Canada which has come about as a result of lack of rainfall and very high temperatures over the past few months.

I wonder if either of the two hon. gentlemen would consider the suggestion that the Standing Committee on Agriculture be given a reference to travel to western Canada to view at first-hand some of the problems we have there, and also to listen to the producers' suggestions on some solutions that might be forthcoming from the government.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, a while ago the Minister of Transport in his answer to the Leader of the Opposition indicated that the government was taking effective steps under the circumstances. The hon. member has now made a suggestion which seems interesting. I can assure him that I will take it into serious consideration.

[*English*]

HARVESTING OF CATTLE FEED IN NATIONAL PARKS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I appreciate that answer and I urge the House leader to take a serious look at the problem.

I have a supplementary question which I should like to direct to the minister responsible for Parks Canada. It refers to a topic on which I have had discussion with him concerning both the grazing of cattle and the harvesting of cattle feed in Riding Mountain National Park and to some extent in Prince Albert National Park. Let me point out that I have done some investigation into this matter. I should like to ask the minister if he is prepared to give that suggestion his serious consideration.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Yes, Madam Speaker, the hon. gentleman spoke to me about this question last week, and as a result I have been able to make some inquiries specifically as regards Riding Mountain park.

There are, I am told, about 2,000 acres which could be used potentially. There are estimates that over 5,000 elk and deer would be using that forage in the Riding Mountain park. Given past park policy, we do not open up the parks for grazing to outside animals. It would be contrary to the presently established policy to meet the kinds of concerns the hon. member has expressed to me. I would, therefore, be reluctant to recommend that to the House.

It may be that the hon. member would have further information which he would like to give to me which would give me the basis to make further inquiries. I would be extremely happy to undertake to do that if he would do so.

INDUSTRY

IMPROVEMENTS IN SAINT JOHN HARBOUR DEVELOPMENT

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I should like to address my question to the Minister of Industry, Trade and Commerce. Since the government has abandoned the exciting new programs for Atlantic Canada which were in place before the last election, in the same way that they have abandoned the entire Atlantic region, I should like to ask the minister when he is going to implement a program to replace the fishing fleet; and what will it be?

How can he justify his and his government's neglect of the Saint John harbour development and the Saint John dry dock? In other words, when is he and his government going to stop raping Atlantic Canada without so much as a squeeze, let alone a kiss?

Some hon. Members: Oh, oh!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): I should ask the hon. member a question as to who does his writing, so that I will avoid using the same person.

Some hon. Members: Oh, oh!

Mr. Gray: The only programs we have abandoned for Atlantic Canada are programs like the 18 cents a gallon gas tax.

Some hon. Members: Hear, hear!

Mr. Gray: That tax would have driven the Atlantic economy into the ground. That step alone has provided the basis for a healthy and progressive move forward of the Atlantic economy.

• (1450)

We are working on the kinds of programs which will encourage further progress for Atlantic Canada, including programs for the fishing industry and the area of Saint John, New Brunswick.

Mr. Corbett: Madam Speaker, we did not receive so much as a kiss: apparently not even so much as a smooch.

An hon. Member: Just a kiss-off.

Mr. Corbett: Under the previous administration we met with the Atlantic premiers to have their input. Has the minister asked the Atlantic premiers to meet collectively with him or his colleague, the Deputy Prime Minister and Minister of Finance; and, if not, why not?

Mr. Gray: Madam Speaker, my officials are in regular contact with their equivalents in provincial government departments; and in terms of regular contact with the Atlantic provinces, we have outstanding members of Parliament and outstanding ministers from there to provide the necessary input.

ADMINISTRATION OF JUSTICE

INQUIRY INTO ALLEGED PRICE-FIXING BY MAJOR OIL COMPANIES—TABLING OF REPORT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Minister of Justice and Minister of State for Social Development, if I can have his attention for just a moment.

My question concerns the seven-year inquiry into alleged price-fixing by the major oil companies in Canada—an alleged multimillion dollar rip-off of Canadian consumers. Well over a year ago, the director of investigation and research for Consumer Affairs asked the Justice Ministry to provide certain legal advice on the mass of evidence that has been accumulated in this particular case for possible prosecution.

The Justice Ministry went through a whole series of lawyers, and Consumer Affairs is now getting fed-up and is insisting upon action by the Ministry of Justice. My question for the Minister of Justice is this: first of all, I understand that Consumer Affairs have now exhausted their patience and are demanding a report by the end of this month on the matter. Is Justice prepared to make this report at the end of the month; and, secondly, what is the reason for the lengthy delay in this investigation of interest to all Canadian consumers?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, it is true that the director of investigations, Mr. Bertrand, asked the Minister of Justice in April of last year to appoint attorneys to study the file. Unfortunately, there have been delays and the attorneys were appointed only on November 13. Since then, one of them was able to make his report; the other one should be completed before the end of the month and if not, the director concerned will continue his investigation with the means at his disposal.

* * *

[*English*]

CONSUMER AFFAIRS

REFERENCE OF ALLEGATION OF PRICE-FIXING BY OIL COMPANIES TO RESTRICTIVE TRADE PRACTICES COMMISSION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs and Postmaster General. It follows along the same lines the Minister of Justice has just presented.

This long delay is completely unacceptable. I should like to ask the minister if he would make the information public again. We have spent six long years on this. Will he also give us his assurance that he will refer this question to the Restrictive Trade Practices Commission? If he is not prepared to do that, would he explain to the House why we should pass his estimates in committee, estimates which are being considered this afternoon, if we are not going to get action in respect of the taxpayers' dollars on this question and on many other

important issues which we have passed on to him but have seen no results?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I can confirm that the director of investigations is taking steps to hasten the completion of the investigation and I think that we will be obtaining his report during the next few weeks.

* * *

[*English*]

SUPPLY AND SERVICES

LATE DISTRIBUTION OF FAMILY ALLOWANCE CHEQUES

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, it is estimated that approximately one and one-quarter million family allowance cheques were not distributed on time toward the end of last week, therefore causing severe hardship to the many needy families involved.

My question is for the Minister of Supply and Services. In view of the fact that Mr. Joung, a Post Office spokesman, has publicly stated the cheques were delivered to the Post Office two days late by Supply and Services, will the minister confirm whether this indeed did happen, was his department late in delivering the cheques and, in any event, will he give an explanation on exactly what happened?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, first of all permit me to congratulate my friend, the hon. member for Leeds-Grenville, on his appointment as official critic for the Department of Supply and Services. This is the first opportunity I have had to offer him that congratulation.

I would also like to point out, Madam Speaker, that indeed the number of cheques which were delivered late was in the vicinity of 4,000 to 5,000. I want to assure the hon. gentleman that it was not in any way due to any error on the part of the Department of Supply and Services. The cheques were delivered to the Post Office in accordance with the predetermined schedule.

Mr. Cossitt: Madam Speaker, I thank the minister for his complimentary remarks at the start, but I cannot agree with him when he refers to 4,000 to 5,000 cheques, when it is reported that 45,000 alone were in the city of Ottawa. Therefore, my supplementary is directed to the Minister of Consumer and Corporate Affairs and Postmaster General.

An official of Supply and Services, head of the Supply and Services office in the city of Toronto, has blamed the Post Office, and I would like to ask him whether he is prepared to blame Supply and Services, or accept the blame for his department? In any event, will he tell us what he knows about the situation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am pleased to tell the hon. member that in fact the Post Office Department, as it does every month, delivered over 1,270,000 cheques. Unfortunately, of those 1,270,000 cheques, about 7,500 were late in being delivered. My department assumes full responsibility for that delay. We apologize for the fact that those 7,500 cheques were not delivered on time. I am advised, however, that there was only a one-day delay so that, considering the fact that out of a total 1,270,000 cheques delivered only 7,500 were late, the average is still quite good.

* * *

[*English*]

INDUSTRY

APPLICATION TO FIRA BY FINNISH TIRE COMPANY—REASON FOR GOVERNMENT APPROVAL

Mr. Walter McLean (Waterloo): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Will he advise the House why the government has approved the application to FIRA by a tire company from Finland, which will import and subsequently produce tires in this country, at a time when the government has authorized a $50 million DREE grant to the Michelin Tire Company?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the law in the form it was passed by Parliament does not permit me to provide the kind of information sought by my hon. friend.

I hope the House will be supporting me before too long in legislation which, among other things, will enable the act to operate with more openness. I am afraid that is about all the information I can provide, except to add that if the application was approved, as he says, it was because the test of significant benefit in the terms of the act was met.

Mr. McLean: Madam Speaker, in light of the serious effect on the tire companies that are now producing, and in light of the financial implications on the part of the people of Canada involved in recent negotiations, will the minister make the commitment that no government grants will be made to assist this Finnish company while the existing industry is operating so far below its capacity?

Mr. Gray: Madam Speaker, I am not in a position to speak for each and every department on each and every one of the range of programs of the government, but I am sure if applications are received—and I have no indication or reason to believe they will be—they will not be accepted unless the conditions are met which were set originally in respect of benefits to Canada.

ENERGY

VENICE SUMMIT—COMMITMENTS ON INCREASED USE OF COAL—ACID RAIN

Mr. Doug Frith (Sudbury): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Summit conference in Venice during last weekend resulted in a commitment by the participating countries to increase their coal production, using coal as an energy resource in order to reduce their energy consumption of oil.

What commitments were made by the participating countries which will ensure that the increased use of coal will not aggravate the acid rain problem?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, at the Summit in Venice all heads of states recognized the importance of increasing very substantially the production of coal over the next decade if we are to meet the needs of the industrialized world.

● (1500)

The Prime Minister and the Canadian delegation insisted very strongly upon the necessity of making sure that the environmental concerns be respected and that all necessary steps be taken to protect the environment. There was a special reference to this subject included in the final communiqué of the conference.

I am also happy to report that my colleague, the Minister of the Environment, has been in extensive consultations with his American counterpart over the past few weeks on the whole issue of acid rain. If the hon. member wishes to ask the minister about his discussions, I am sure he would be very happy to inform the House of developments in this regard.

* * *

BANKRUPTCIES

MARITIME AGENCIES LTD., VANCOUVER—DEBTS OWED BY GOVERNMENT

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I direct my question to the Minister of Supply and Services. It relates to a question and a motion under Standing Order 43 put last week by my colleague, the hon. member for Capilano.

Can the minister report to the House, in view of his consultation with his colleagues, on the matter of the bankruptcy of Maritime Agencies Limited, Vancouver, which was suffering from bad bebts that it was unable to collect from the government with regard to shipments of Canadian wheat to Bangladesh?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am not in a position at this time to furnish any further information relating to MAL. I would be pleased to discuss the matter with the hon. gentleman.

I have been in touch with the Minister of Industry, Trade and Commerce and the Minister of Justice to hasten a resolution of this most disturbing difficulty. I recognize, as does the hon. gentleman, that we are dealing here with food aid that is much needed by Bangladesh. I hope the problem will be solved within the very near future.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

IMPLEMENTATION OF PROVISIONS OF HELSINKI FINAL ACT—REFERENCE TO STANDING COMMITTEE

On the order: Government Notice of Motions

June 20, 1980—The President of the Privy Council:

That the Standing Committee on External Affairs and National Defence be empowered to examine the implementation of the provisions of the three baskets of the Helsinki Final Act by Canada and other participating states and consider Canada's participation in the Madrid follow-up meeting of the Conference on Security and Co-operation in Europe (CSCE) and report to the House; and

That the committee be empowered for this purpose to retain the services of advisers to assist in its work and that it also be empowered to retain such professional, clerical and stenographic help as may be required and that it also be empowered to advertise invitations to the public to submit opinions on the aforementioned matter.

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 54, 85, 98, 691, 769, 792, 829, 835, 838, 899, 948, 950, 951, 956, 989, 1,018 and 1,056.

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

[*Text*]

HEALTH—ONTARIO COLLEGE OF PHYSICIANS AND SURGEONS—INTERIM REPORT ON VITAMINS

Question No. 54—**Mr. Cossitt:**

Is the Department of National Health and Welfare aware of an interim report released on Tuesday, November 6, 1979, by the Ontario College of Physicians and Surgeons on the subject of the consumption of vitamins and, if so (a) what are the conclusions of the department in regard to the value or otherwise of each vitamin to the human body (b) specifically, has the department any evidence to support the theory that (i) vitamin C is effective against the common cold (ii) vitamin E is useful in heart disease treatment (iii) various vitamins in the B group are helpful in certain types of mental illness, etc.?

Order Paper Questions

Hon. Monique Bégin (Minister of National Health and Welfare): The department has received and studied the interim report on vitamins from the Ontario College of Physicians and Surgeons. Vitamins are essential nutrients for the proper functioning and control of a wide variety of biochemical processes in body cells. Severe disease conditions result from vitamin deficiencies. The department has not received any evidence from properly constituted and controlled clinical trials which would demonstrate that vitamin C affords protection against the common cold. No appropriate evidence has been received which would demonstrate the safety or effectiveness of vitamin E in the treatment of heart disease, nor for the B vitamins in the treatment of mental disorders.

PRIME MINISTER'S OFFICIAL RESIDENCES—FLOWERS AND PLANTS

Question No. 85—**Mr. Cossitt:**

1. Between April 20, 1968 and May 22, 1979, what was the total amount of public funds spent on flowers, plants, etc., of any kind for the Prime Minister's (a) official residence at 24 Sussex Drive (b) summer residence at Harrington Lake (c) offices?

2. What is the combined total for the locations mentioned in part 1?

3. Were any of the flowers worn by the Prime Minister in his lapel between April 20, 1968 and May 22, 1979 paid for by government funds and (a) if so (i) how many were used (ii) what was the total cost (b) if not, were such lapel flowers provided free of charge by any florist doing business with the government?

4. What are the names of all florists supplying any goods mentioned in parts 1 and 3 and which ones supplied roses and/or carnations for the use of the Prime Minister, if such were indeed supplied?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. The Official Residences Act covering the Prime Minister's residences (24 Sussex and Harrington Lake), the residence of the Leader of the Opposition (Stornoway) and the residence of the Speaker of the House of Commons states in part that the National Capital Commission shall maintain and improve from time to time as required such lands. During the time the residences have existed, the National Capital Commission has maintained the exterior landscaping on the lands involved and in so doing has provided certain plants, the costs of which are set out in Lists "A" and "B" below. These costs are not available prior to the 1975-76 fiscal year. The NCC maintains shrub nurseries as well as greenhouses and it is from such installations that plants are utilized in maintaining exterior landscaping as required. The Department of Public Works greenhouse provides potted plants and cut flowers for the residences and offices of the Prime Minister. This has been the routine for at least 28 years.

3 and 4. Other than supplies mentioned above, public funds were not spent.

LIST "A"

24 Sussex

Fiscal Year	Annuals (Flowers—3" Pots)		Bulbs		Shrubs and Trees	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
1979-80	5,049	$3,382	5,750	$ 784	23	$ 649
1978-79	4,502	$3,398	5,750	$ 650	Nil	Nil
1977-78	3,958	$4,586	4,750	$ 620	2	$ 68
1976-77	2,695	$2,347	8,750	$ 577	Nil	Nil
1975-76	4,629	$2,063	10,250	$1,051	1,560	$6,081

As records are destroyed after a 5-year interval, in accordance with government records disposal schedule, no information is available prior to the fiscal year 1975-76.

LIST "B"

Harrington Lake

Fiscal Year	Annuals (Flowers—3" Pots)		Bulbs		Shrubs and Trees	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
1979-80	366	$ 262	Nil	Nil	Nil	Nil
1978-79	2,212	$1,331	Nil	Nil	Nil	Nil
1977-78	652	$ 478	1,425	$205	Nil	Nil
1976-77	1,392	$ 822	2,750	$130	Nil	Nil
1975-76	1,721	$ 847	500	$ 37	Nil	Nil

As records are destroyed after a 5-year interval, in accordance with government records disposal schedule, no information is available prior to the fiscal year 1975-76.

PRIME MINISTER'S OFFICE—AMOUNT SPENT FOR PROFESSIONAL SERVICES

Question No. 98—**Mr. Cossitt:**

1. Was the total amount of money allocated for professional services in the budget of the Prime Minister's office during the 1979-80 fiscal year in the amount of $270,000 and, if not, what was the total amount?

2. Did the Prime Minister spend $115,000 for professional services during the first few months of the fiscal year and, if so (a) what percentage does this represent of the annual budget (b) exactly how was the money spent, including the names of all persons receiving it, the amounts received in each case, the services performed in each case, and the date such services were performed, in each case?

3. Did any of the expenditures whatsoever have anything directly or indirectly to do with the federal election campaign in the months of April and May 1979 during which money was spent and, if so, what are the exact details?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes.

2. Total expenditure—$119,756.83.

(a) 44 per cent approximately.

(b) See below.

Name of Recipient	Type of Service	Amount	Date Service Rendered Including Termination Clause
Personal Services Contracts			
Mary-Alice Mullally	Assistant Household Co-ordinator	$ 375.00	May, June 1979
Albert Breton	Economic Adviser	5,500.00	April, May
Allan Lutfy	Executive Assistant	11,250.00	April, May, June
Janet Cameron	Secretarial Services	3,509.90	April, May, June
Claire Gigantes	Press Analyst	2,250.00	March, April, May, June

Name of Recipient	Type of Service	Amount	Date Service Rendered Including Termination Clause
Personal Services Contracts			
Alan Grossman	Policy Consultant	9,774.99	April, May, June
Paula McPherson	Research Assistant	2,714.26	April, May, June
Rose Mole	Computer Terminal Operator	4,428.00	April, May, June
Arnold Patterson	Communications Advisor	12,850.00	April, May, June
Barbara Sealey	Secretarial Services	3,253.08	April, May, June
Leslie Whitby-Costescu	Technical Information Advisor	5,826.60	April, May, June
Glenn E. Woodside	Information Consultant	9,675.00	April, May, June
A.C.F. Communications	Media Services	17,675.00	March, April, May, June
Ursela Brown	Secretarial Services	975.00	March, April, May, June
Maureen Labonté	Press Analyst	2,700.00	April, May, June
		$92,756.83	
Miscellaneous Professional Services			
Press News Services Ltd.	News Wire Services	$ 1,505.66	April, May
Angus Stonehouse	Press Conference Reporting Services	600.00	April
Computer Sciences Canada Ltd.	Correspondence Computing Services	9,359.02	April, May
Data Encoding Ltd.	Correspondence Computing Services	2,669.45	February, April, May, June
Harrington Personnel	Temporary Personnel Services	332.76	March
A.B.C. Business Services	Temporary Personnel Services	1,920.97	April, May
Personnel Pool	Temporary Personnel Services	2,062.08	April, May, June
Stacey Office Services	Temporary Personnel Services	2,872.50	April, May
Victor Canada Ltd.	Temporary Personnel Services	2,443.44	April, May
		$23,765.88	
Photographic Services			
C.P. Pictures	Photographs	$ 12.00	March
Les Frères Proulx Brothers	Photographs	109.00	March
		$121.00	
Hospitality Expenditure			
Prime Minister's Office		$ 2,947.12	December 1978, February, March, April, May, June
Miscellaneous			
Various Recipients	Miscellaneous Business Services	$ 166.00	April, May
	TOTAL	$119,756.83	

3. No.

TREASURY BOARD—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 691—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Treasury Board for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Order Paper Questions

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): In so far as the following departments are concerned:

Treasury Board: of Canada
1. 2
2. (a) 2
(b) None
(c) None
3. None
4. $16,383.58

Office of the Comptroller General of Canada 1 to 4. None.

CANADA WORKS PROGRAM—CONSTITUENCY OF PEMBINA

Question No. 769—**Mr. Elzinga:**

1. What amounts were spent in the constituency of Pembina under the Canada Works Programme in (a) 1974 (b) 1975 (c) 1976 (d) 1977 (e) 1978 (f) 1979 and, what was the (i) name of each project (ii) total contribution by the government in each year?

2. Are there any projects planned for the near future and, if so, in each case, what is the (a) name of the project (b) estimated amount to be spent by the government?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. The Canada Works Program began in the fiscal year 1977-78.

1977-78 (phase I)

Name of Projects	Federal Contribution
Roofing St. Jean Baptiste Historical Site Project	$16,842
Creative Playground Construction	$13,146
Westlock Municipal Golf Course and Wabash Nature Trail Development	$13,626
Expansion of Linakia Hall	$ 5,292
Total	$48,906

1977-78 (phase II)

Name of Projects	Federal Contribution
Community Recreational and Cultural Creation and Enhancement	$18,390
Athabasca Community Recreation Development	$52,259
Town of Athabasca Commercial Core Clean-up	$ 7,098
Fort Assiniboine Museum and Multi-purpose Building	$14,112
Project: Clear Lake	$ 9,144
Total	$101,003

1978-79 (phase III)

Name of Projects	Federal Contribution
Community Betterment	$ 1,425
Athabasca Municipal Library	$ 7,098
Radway Community and Agricultural Complex	$62,396
Thorhild and District Multiplex	$14,216
Clyde and District Recreational Facility Program	$15,834
Community Radio "Talk Back" Program	$14,196
Total	$115,165

2. No.
(a) Nil.
(b) Nil.

Order Paper Questions

INDIAN PEOPLE—ENGLISH-WABIGOON RIVER, ONTARIO—TESTS ON MERCURY CONTAMINATION

Question No. 792—**Mr. de Jong:**

1. Were tests conducted on the mercury contamination of Indian people in the English-Wabigoon River area of Ontario and, if so, what were the results?

2. Were the results kept from the public and, if so, for what reason?

3. Will they be released and, if so, on what date?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes.

Total results of mercury levels to December 31, 1978 are as follows:

	Total tests	Tests < 20 ppb	Tests 20-99 ppb	Tests > 100 ppb	Individuals > 100 ppb
Grassy Narrows	1,607	1,102	380	125	59
Whitedog	1,653	1,242	344	67	39

< 20 ppb is an acceptable level
> 100 ppb is regarded as being "at risk"
ppb (parts per billion)

2. No.

3. All results from the mercury program across Canada, including those from the English-Wabigoon River area, were released in National Health and Welfare news releases between September, 1976, and May, 1979. At that time, work commenced on a major review document which consolidated the results of all mercury testing carried out by, or on the behalf of, the department from 1971 until December 31, 1978. The document entitled Methylmercury in Canada—Exposure of Indian and Inuit Residents to Methylmercury in the Canadian Environment, was released to the public on March 17, 1980. A follow-up to this report, reviewing the 1979 data, is now being prepared.

VETERANS AFFAIRS—VICTORIA HEALTH CENTRE, N.B.—BEDS FOR DISABLED VETERANS

Question No. 829—**Mr. Howie:**

Since January 1978, was consideration given, by the Department of Veterans Affairs, to acquiring more beds to supplement the beds presently used for disabled veterans in the Victoria Health Centre, Fredericton, New Brunswick?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No. There has been no change in the total number of beds negotiated at the time of the transfer of the then Lancaster Hospital to the Province of New Brunswick. 57 beds were acquired by the Victoria Health Centre in Fredericton, New Brunswick. Geographical distribution of the remaining beds is Saint John—83; Campbellton—25; Moncton—35.

TRAINING ON THE JOB PROGRAM—FREDERICTON, N.B.

Question No. 835—**Mr. Howie:**

Since January 1, 1978, how many persons have benefited from on-the-job training under the manpower training programmes in Fredericton, New Brunswick?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): The Training-on-the-Job Program and the Training-in-Industry Program were combined in June 1974 to form the Canada Manpower Industrial Training Program. Training under this program may be given on the job, in a classroom or special training area, or as a combination of the two. From January 1, 1978 to December 31, 1979, 1,935 trainees received training under the Canada Manpower Industrial Training Program in Fredericton, New Brunswick.

U.I.C.—FREDERICTON, N.B.—BILINGUAL REQUIREMENTS FOR EMPLOYEES

Question No. 838—**Mr. Howie:**

Since January 1, 1978, did a change take place in respect to bilingual requirements for employees at the Fredericton, New Brunswick office of the Unemployment Insurance Commission?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Yes. Since integration of the Canada Employment Centre in Fredericton, N.B., (January 1979) two additional bilingual positions have been created.

VETERANS AFFAIRS—VICTORIA HEALTH CENTRE—FREDERICTON, N.B.—CHAPEL

Question No. 899—**Mr. Howie:**

Since January 1978, was consideration given by the Department of Veterans Affairs to the establishment of a chapel for use by veterans in the Victoria Health Centre in Fredericton, New Brunswick and, if not, will consideration be given?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Provision of a chapel was not included in the conversion of the Victoria Health Centre for use as a long-term care unit for veterans. A room is available in the veterans unit of the centre for quiet meditation, and religious services are conducted there by pastors from the Everett Chalmers Hospital, on request.

PROPOSED LABOUR INFORMATION BUREAU

Question No. 948—**Mr. MacKay:**

1. Does the Department of Labour's proposed bureau of labour information plan to give access to income tax records held by National Revenue or give access to Statistics Canada's data base which has already used National Revenue income tax data and, if not, what would be the effect on the maintenance of its data base?

2. Will the new bureau use Social Insurance Numbers (SIN) to give access or to link with records of other departments, especially National Revenue?

3. Does the new bureau plan to assume responsibility for the administration of that part of the Corporation and Labour Unions Returns Act (CALURA) relating to labour unions, that part of Statistics Canada's labour division responsible for the monthly employment and payroll survey, and all the activities of the pay research bureau and, if so, what would be the effect of such a move on Statistics Canada's gross national product (GNP) data and other essential components of its system of national accounts?

Hon. Gerald Regan (Minister of Labour): 1. The proposed labour information bureau will not give access to Income Tax records.

2. No. Given the nature and use of the collective bargaining and labour-related data that the labour information bureau

will be disseminating, it will not require social insurance numbers.

3. No. In December, 1979, an interdepartmental labour statistics committee comprising major federal data producers and under the chairmanship of Labour Canada, was set up. Its goals are to review federal labour data activity and to make recommendations for better co-ordination in federal labour data production and efficiency.

The areas within the federal government that this committee's study may affect are labour data branch of Labour Canada, labour division of Statistics Canada, Corporation and Labour Unions Returns Act (CALURA) at Statisti Canada and the pay research bureau.

The committee's report is not due until the fall of 1980. However, as the focus of the committee is on improving data collection and production, it is very unlikely that their report will affect the functions of the proposed labour information bureau which would perform a data dissemination service, only.

DATA ENCRYPTION EQUIPMENT

Question No. 950—**Mr. Beatty:**

As of May 5, 1980, did government regulations require that all computers connected as hosts to the (a) Datapac network of TCTS (b) Infoswitch network of CN/CP Telecommunications encrypt any information provided for their databanks and, if so, in each case (i) did the host computers automatically encrypt the information (ii) what company manufactured the encryption equipment and what model of equipment was employed?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): No. The government has no such regulation. Data encryption devices are mandatory only when classified information involving national security matters is transmitted over telecommunications facilities, including cases where computers are involved. As of May 5, 1980, these devices were not used on the Datapac or Infoswitch networks.

COMPUTER DATABANKS—INFORMATION

Question No. 951—**Mr. Beatty:**

As of May 5, 1980, did any central authority within the government audit the information contained in computer databanks connected to Infoswitch or Datapac to ensure compliance with Treasury Board regulations concerning sensitive information contained in such databanks and, if so, which databanks, if any, contained information not permitted under the regulation?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): No, as of May 5, 1980, no central authority within the government audited the information contained in computer data banks connected to Infoswitch or Datapac.

The Security Evaluation and Inspection Team (SEIT) of the RCMP is responsible for conducting, upon request from departments, inspections and evaluations of government EDP facilities as well as private sector facilities engaged in processing government information under contract.

The RCMP makes recommendations to deputy ministers, who are responsible for determining within general government policies and procedures, the level of security required by EDP services employed to process the work of their department. The RCMP follows up on the results of inspections and deputy ministers must report back to the RCMP on actions taken on the recommendations that were made.

The RCMP is responsible for reporting to the Treasury Board secretariat on the over-all status of EDP security in the government. Although from time to time the SEIT finds situations which need improvement, these are not reported individually to Treasury Board but are reported to deputy ministers who must take action on these recommendations.

EDP security, including aspects dealing with telecommunications, is considered an integral part of management responsibilities and is not singled out for special audits by a central agency. The Treasury Board directs departments to perform periodic independent audits of the financial, operational and security aspects of departmental EDP activities.

YOUNG CANADA WORKS PROGRAM—CONSTITUENCY OF PEMBINA

Question No. 956—**Mr. Elzinga:**

1. What was the amount spent in the constituency of Pembina by the Young Canada Works Program in (a) 1974 (b) 1975 (c) 1976 (d) 1977 (e) 1978 (f) 1979 and, in each case, what was the (i) name of the project (ii) total contribution by the government?

2. Are there any projects planned for the near future and, if so, what is the (a) name of the project (b) estimated amount to be spent by the government?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. The Young Canada Works program began in 1977.

1977

Name of Projects	Federal Contribution
Playground Development and Community Improvement	$ 4,050
Cardiff Park Facility Improvement Project	$ 4,988
Strathona Boys and Girls Teen Centre	$11,680
Adventure Outdoors Barrhead	$ 8,862
Arena Improvement Project	$ 3,000
Long Island Lake Outdoor Programs—1977	$ 6,804
Athabasca Golf and Country Club Improvement and Extension	$ 7,446
Restoration of Community Facilities and Grounds	$ 4,428
Total	$51,258

1978

Name of Projects	Federal Contribution
Laff (Let's Adapt for Fun)	$12,726
Westlock Canadian Bison Baseball Championship	$16,848
Cardiff Regional Park Development Program	$11,790
Summer Spirit 1978	$ 8,262
Total	$49,626

Order Paper Questions

1979

Name of Projects	Federal Contribution
Cardiff Regional Park	$ 9,876
Youth Support Committee Summer	$13,579
Millwoods Summer Camp Day Care	$14,000
Work and Win or Earn While You Learn	$ 7,260
Alexander Young Canada Works 1979	$ 5,405
Total	$50,120

2. No.
(a) Nil.
(b) Nil.

PRIME MINISTER FIDEL CASTRO—MEETING WITH PRIME MINISTER

Question No. 989—**Mr. Cossitt:**

1. Since April 20, 1968, did the Prime Minister meet with Prime Minister Fidel Castro of Cuba and, if so (a) in which locations and on what dates (b) for what purpose?

2. Did the Prime Minister meet together with the Prime Minister of Jamaica and the Prime Minister of Cuba at any time at a meeting publicly known or otherwise and, if so (a) in which locations and on what dates (b) for what purpose?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes.

(a) Havana, Cuba, January, 1976.

(b) During an official visit to Cuba, Venezuela and Mexico.

2. No.

(a) and (b) Not applicable.

TRANSPORT—BRAKE FAILINGS ON CERTAIN MOTOR VEHICLES

Question No. 1,018—**Mr. Siddon:**

1. In (a) 1977 (b) 1978 (c) 1979 (d) 1980 to date, did the Department of Transport receive complaints concerning partial or complete brake failings in Volkswagen Rabbits, Sciroccos, Audi Foxes and Dashers and, if so (i) how many (ii) how many involved a motor vehicle accident?

2. How many reported accidents (a) involved personal injury (b) led to one or more fatalities?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Transport Canada has received 70 complaints up to May 31, 1980 about brake failures on VW Rabbits, Sciroccos, and Dashers and Audi Foxes. The following is the chronological order of receipt:

Year of Complaint	No. received by Transport Canada	Accidents resulting from failure
1977	1	0
1978	0	0
1979	12	0
1980 (to May 31)	57	0

2. No injuries or fatalities have been attributed to these failures.

VETERANS AFFAIRS—CHARLOTTETOWN, P.E.I.—EMPLOYEES TRANSFERRED

Question No. 1,056—**Mr. Herbert:**

With reference to the answer to Question No. 273, how many of the forty employees indicating their willingness to be transferred to Charlottetown, P.E.I., in 1980, have (a) French (b) English as their mother tongue?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) 12; (b) 28.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

[*English*]

Mr. McKenzie: Madam Speaker, I have a point of order that I would like to raise with the Parliamentary Secretary to the President of the Privy Council. On May 12 I placed a starred question on the order paper with regard to the formula for DREE grants for revitalizing rail relocation in Winnipeg. I raised this matter two weeks ago in the House to ask what has caused the delay in answering this starred question. Could the parliamentary secretary inform me today what is the problem with regard to answering this question?

Mr. Collenette: Madam Speaker, it is very difficult to determine how fast the various questions will be answered. There are over 1,000 questions on the order paper this year. I believe that we have answered about 280 of those questions, which is a very good record.

Mr. Paproski: No, it is not.

Mr. Collenette: I think that it is quite a good record. It is certainly better than the record of the last government.

Mr. Paproski: Now, don't procrastinate.

Mr. Collenette: My friend from Edmonton North would like to debate the matter. I shall inform the House tomorrow of the exact number of questions which have been answered.

With regard to the hon. member's particular question, I have made note of the number and I shall pursue the matter. I might say to the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) that he brought up many of the same concerns during debate on Bill C-35 last Friday. These concerns are on the record and can be found in *Hansard*. That bill is now before committee, and I hope that the hon. member will explore those questions further with the minister with regard to anything that he might like to know about DREE as it relates to Winnipeg. The minister will be before the committee on Bill C-35 over the next two weeks.

Mr. Paproski: On the same point of order, Madam Speaker, I would like to say to the parliamentary secretary that we during our short period of time in power did not have time to answer any of these questions.

Mr. MacEachen: An honest admission.

Mr. Towers: Madam Speaker, I have two questions on the order paper to which I would like answers. They deal with the Metric Commission and are very important to me. The questions are Nos. 810 and 811, and I simply want to bring them to the attention of the parliamentary secretary.

* * *

SPORTS

DISBURSING OF FUNDS FROM LOTTERIES

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, this is the first opportunity I have had to stand in the House after reviewing a question that I posed on Friday to the minister of sport and his subsequent answer. I know that the minister would not want to mislead the House in any way. He said in part on Friday that in return Loto Canada will receive $24 million from the provinces. That $24 million is geared to the CPI. There is also the fact that we had to look after a promise made by the previous government with regard to two NHL hockey arenas. We also looked after the arena in Olds, Alberta. I am sure that the minister, when he comes into the House, will be able to rectify that particular error in his reply.

Madam Speaker: The hon. member should know that he has obviously raised a point of debate. If he is not satisfied with the answer that he has received, he should take advantage of other procedures to make his point in front of the House.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Madam Speaker: Shall all motions for the production of papers stand?

Some hon. Members: Agreed.

[*English*]

Mr. Cossitt: Madam Speaker, I rise with regard to notices of motions for the production of papers. I understand that the parliamentary secretary has said that there are none to be produced today. I would refer him to motion No. 2 which I put on the paper at the beginning of this session. I will not take the time of the House to outline all the detail therein. The question concerns the Taschereau papers which deal with matters of national security. These papers were sent back to the National Archives by Mr. Michael Pitfield after the usual time at which they would have been made public, namely 30 years. Presumably they were sent back on the orders of the Prime Minister (Mr. Trudeau) or the security committee of the cabinet.

I have asked that all copies of documents, letters, conversations and so on between the Prime Minister or the Privy Council office and the archives be produced to show why this

was done. In other words, I want to know exactly what Mr. Pitfield said in his letter to the National Archives. I should think that it would be very simple for the government to say, "Yes, we are going to do it" or "No, we are not going to do it". However, nothing has happened.

This is a matter which concerns in particular Canadian historians, if no one else. The importance of this question is to learn the espionage history as to what has been going on in this country, the knowledge of which this government has continually attempted to block from Canadians. By hiding the Taschereau papers and not enlightening us, the government is obviously hiding the names of some people of prominence. Some of us have knowledge of who those people are.

I believe that it is a disgrace that the government will not say one way or the other what it intends to do. If it does not intend to produce these papers then it should say so, so that the matter can be transferred for debate; then those of us on this side of the House who wish to pursue the matter would be able to do so. Rather, the government is trying to hide the situation by saying nothing at all. Could the parliamentary secretary tell the House when notices of motion for production of papers No. 2 will be answered?

Mr. Collenette: Madam Speaker, I stand to be corrected but I believe this matter was debated in the House last Thursday evening. Under the rules, I believe that there are 130 minutes or 140 minutes for such a debate. I understand there are 90 minutes for debate. If indeed we did deal with the matter last Thursday evening, and I think we did, then I find it somewhat impertinent of the hon. member to try to ask a question of me when he should be posing it to the President of the Privy Council during the question period.

● (1510)

If he wants to use the route provided by the rules, which is to lay down a motion for the production of papers, he should follow it through to its logical extension. It would then be debated and come to a division at the appropriate time.

That is all I have to say on this particular matter, Madam Speaker.

Madam Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. Cossitt: Yes, Madam Speaker. The parliamentary secretary has made a statement which I think is a reflection on me as a member of the House, and I must correct it.

Nothing of the sort happened last Thursday. He may not have been in the House. The debate at that time dealt with moving the Department of Veterans Affairs to the maritime provinces, to Prince Edward Island in particular, and had nothing whatsoever to do with the Taschereau papers. The notice of motion I am referring to has never been answered.

The parliamentary secretary has said that I should put the question to the President of the Privy Council and not to him, but he is here representing the President of the Privy Council. If he cannot answer it, will he guarantee that he will ask the

President of the Privy Council to make clear what is going to happen at the next sitting of the House?

Mr. Paproski: Or resign.

Mr. Collenette: Madam Speaker, this is getting into something of a debate. I apologize for my error. I was around last Thursday but I did not pay attention to what was being debated on private members' hour.

Some hon. Members: Shame!

Mr. Cousineau: The hon. member opposite was not interested; he asked for a quorum!

Mr. Collenette: That is a good point. My colleague mentions that the hon. member was so interested in the order of business that he was playing games with the rules, being very mischievous and calling for a quorum last Thursday when other members on that side of the House and on this side wanted to debate and get along with the government's legislation.

I will look into this matter, Madam Speaker. It is my understanding that notice of motion for the production of papers No. 2 should come up for debate tomorrow or perhaps in the next couple of weeks. The hon. member can then make his case with respect to the production of these papers.

Madam Speaker: Orders of the day. I am sorry, the hon. parliamentary secretary to the President of the Privy Council (Mr. Collenette).

Mr. Collenette: I am sorry to interrupt you, Madam Speaker, but you did not call for the production of papers today. I think perhaps the conversation—

An hon. Member: She did.

An hon. Member: We said stand.

Madam Speaker: I did, but the House was interrupted.

* * *

[*Translation*]

PRIVILEGE

MR. GOURD—RECOGNITION OF CERTAIN BACKBENCHERS

Mr. Robert Gourd (Argenteuil): Madam Speaker, I rise on a question of privilege concerning the geographic arrangement of the House. Even though I cannot speak on behalf of all hon. members, I have the impression at least that I am expressing the opinion of several of my backbencher colleagues on both sides of the House and certainly that of my colleagues who sit in the south-west corner of the House. My question concerns an old problem caused by the geographic position, and more specifically the gap which separates members in the southwest corner, historically known as the "Little Chicago" in the House, from the Chair. Out of sight, out of mind, as the proverb goes. Because of this, Madam Speaker, members who sit in this corner have some difficulty in being seen, which inevitably makes it more difficult for them to express their opinions and ideas. This is unfortunate since very profound and wise thoughts cannot be heard and must remain untold.

Madam Speaker, since this gap cannot be closed, would it not be possible to reduce its consequences with certain tools or arrangements so that if south-western backbenchers must remain out of your sight, they will not remain out of your mind.

Madam Speaker: Am I to understand that the hon. member is complaining that members who sit in the southwest part of the House are not recognized as often as the others? I should remind him that only today I recognized the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin), the hon. member for Algoma (Mr. Foster) and the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), and that I also recognized certain other members last Friday, if I am not mistaken. In fact, I have the impression that most members who have been recognized on this side of the House sit in that area. I believe that they often rise because they are afraid that I shall not see them, but they have provided me with instruments which will enable me to bring them closer to the proceedings, so to speak, and I shall certainly use them on occasion. However, I do not believe that the hon. member is justified in raising the question of privilege.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—BETRAYAL OF ELECTION PROMISES

Mr. Edward Broadbent (Oshawa) moved:

That this House unreservedly condemns the government for its outright betrayal of its election promises to lower interest rates, to cut taxes and to stimulate the growth of the Canadian economy, without a mandate from the Canadian people for such a reversal.

He said: Madam Speaker, the motion before the House does three things. It points out that, completely contrary to the promises made during the recent election campaign, completely contrary to the way the government in power voted in December, they have not lowered taxes as they promised, they have not taken action directly to control the level of interest rates in Canada and they certainly have done nothing to stimulate the Canadian economy.

As all members of the House will recognize, Madam Speaker, this is precisely the same motion that was presented to the House before Christmas and for which the government in power voted in order to bring down the Conservative government of the day.

As I indicated both on that occasion and in the subsequent election campaign, several members who are now ministers of the Crown supported this course of action, namely, to control our own interest rates and particularly to lower them in order to stimulate the economy and reduce taxes. The government has done none of these things.

You may ask why we present this motion today. It is not done in jest, Mr. Speaker; it is not done to be glib; it is done because all the circumstances that warranted the motion in December have compounded in their nature, have worsened in their circumstance, so that today the motion is even more warranted than it was before Christmas.

We have massive unemployment. According to Statistics Canada there are over 900,000 unemployed men and women. In real figures, if we include all those, young and old, who would like to work but are not counted in the statistics, there would be more than one million unemployed.

Plants are closing down in almost every part of Canada but particularly in the province of Ontario. Nine out of ten recently unemployed Canadians are in that province alone. Farm incomes were earlier predicted to decline by some 11 per cent in 1980 but more recent predictions suggest that they will be worse than that.

In the first quarter of 1980 there was a record number of bankruptcies of small businesses. In terms of economic indicators, there was negative growth in the first quarter of 1980. Forecasts by observers, both inside and outside government, are that the final results for 1980 will show a negative growth as well.

Finally, and of great importance to Canadians wherever they may live, there is what even the United States government is now recognizing as the most serious recession in the United States since World War II. This is bound to have a profound impact on Canada in the months ahead. So I repeat, Mr. Speaker, that what we called for in December and what the Liberals voted for then is required even more today.

What options does the government have? First, they can choose the one which is appropriate for the Liberal party which I shall call the Mackenzie King option—that is, to do nothing and hope and pray that the problem will somehow disappear on its own.

The second option is to worsen the recession by intensifying the Canadian Conservative party policy which is being so ruthlessly and foolishly applied by Margaret Thatcher in England more systematically than even was called for by the Conservatives here. We have seen the results in England—an increase in inflation and, according to figures that were just published today, the highest level of unemployment in Great Britain since World War II. That is the result of option two. So we could opt for the Mackenzie King solution, or the Tory approach which takes us back to the 1920s.

• (1520)

Third, we might recognize the real nature of the Canadian economy and take some constructive, positive government action. It is the latter that we recommend. We say that we should do the following, and I want to justify it both in social and economic terms today. I hope that the Minister of Finance (Mr. MacEachen) will reply and deal with both arguments.

We say we should cut taxes. We should take other direct stimulative measures and should establish a government controlled low interest rate policy, which I say in this context would ensure that the banks, the oil companies and the department stores pass on those officially established low interest rates.

What kind of action is the government taking. Or, more correctly, what kind of action does it seem to be taking, because it is hard to tell precisely what this government is doing? I think that the government is likely to take the "MacEachen muddle through" approach. This means two steps to the side and one step backwards. In other words, two doses of John Crosbie, on the one hand, and one of Margaret Thatcher, on the other. This is an unbeatable combination if we want to make a bad economic situation even worse.

In this context I would like to say that at least the Tories are honest about their conservatism. The Liberals like to pretend that they are progressive when, in reality, they inflict upon us conservative policy.

If the government takes this approach in everything, including what the minister has said in the House of Commons—he indicated that is what the government is going to do—as surely as we are sitting in this chamber today, the following will be the result in 1980; the economy will get worse, not better; we will have more shutdowns, not fewer; the thousands of young people who will be leaving school—many of them this week—will not be able to find jobs; and the incomes of the farmers of Canada, as the business section of *The Globe and Mail* pointed out yesterday, will take a further "steep decline".

That is the situation we are headed for in 1980 if the government pursues the policy it has indicated is likely ever since it was restored to office. What is the alternative? The alternative we in this party say is, first of all, to be honest with the people of Canada and to say: "Yes, there are no palliatives in the short run that are going to restore completely full employment, to restore completely the expectations for young men and women that they will get jobs in the short run". Anyone who is saying anything like that is either dreaming or lying, one or the other.

A long-range solution is required in this country. We are saying that with shutdowns of branch plant industries all across our land, the long-range solution has to be to get Canadian control of Canadian industry. Having said that, and having said that there is a necessity to level with the people of Canada about that kind of industrial strategy that is required here, the like of which has been applied in other industrial nations, I would also say that in the immediate context there are certain important things that can and ought to be done to improve the situation.

First, tax cuts. We are advocating a cost of living tax credit, a form of indexing aimed at those who need it; that is to say,

the average income earner and the poor. In our judgment, this would be both more expansionary and equitable in its effects than the Conservative-Liberal form of indexation, which we would abolish. The current indexation costs the treasury of Canada $1.4 billion. Our proposal for tax reform and tax cuts would cost some $2 billion. This is a next increase in cost to the treasury of some $600 million.

Consider the consequences, Mr. Speaker. First of all, I want to compare our suggestion with the Liberal-Conservative indexation that we now have in Canada, which as I have said we would abolish. Under it, a man or woman earning less than $5,000 a year gets nothing. Someone earning $7,000 a year would get $63 in tax benefits. But if a person is earning $50,000 a year, that person gets $763 with indexation. If you are really "poor", earning $75,000 a year, with this Liberal-Tory kind of tax measure you would save in the present tax year some $948.

The principle, as the financial critic for our party has pointed out a number of times in recent weeks, is very clear. With this kind of indexation, those who have most get the most, and those who have nothing get nothing. That sort of sums up Liberal and Conservative economic policy in terms of the tax field.

I want to contrast that with what we would put in its place, and put in its place tomorrow if we had the authority. Our cost of living tax credit form of indexation would provide the following kind of benefits. For a married taxpayer with two dependants, a man or woman earning $5,000 a year or less, instead of getting nothing as they do with indexation, would get $358. Someone earning $7,000 would get $357. Those who earn $50,000 or $75,000 a year, instead of getting much more, as is the case under the Liberals and the Tories indexation proposals, under our proposal would get not a cent in terms of tax reduction because they do not need it. The turning point for us and our tax proposal would be a family whose income is $35,000 a year. Those earning $35,000 or less would get a tax benefit. The lower the income, the greater the benefit. For a person earning more than $35,000, there is no tax benefit at all.

Under our proposal, an average family with two dependants earning $18,000 a year—and that is the average family income in Canada—would get some $258 in tax benefits. The net effect of such a proposal is as follows. First, it would be more just, and surely in a tax system justice ought to count for something. In the last ten years the rich in Canada have got relatively richer and the poor have got relatively poorer. Overnight, if we brought in this kind of tax measure, that kind of pattern would be turned around, and it is that kind of action which this party favours.

Second, because we are talking about the over-all effect on the economy, our proposal would in fact be more stimulative because the tax benefit is going to low and middle-income people. As a result, more purchases would be made, because unlike upper-income people, the middle and low-income people spend most of their money. Therefore, the effect on the economy, quite apart from the justice argument, would be much more positive than the present tax system.

Mr. Paproski: Make the rich pay?

Mr. Broadbent: I will not even comment on that.

The second part of our proposal is a regionally-oriented capital development expenditure program spread over two years. By means of this we are advocating spending some $400 million to provide needed facilities in a number of cities across Canada. Our estimate is that this would provide an additional 60,000 jobs. The tax proposal which I mentioned a moment ago would produce some 100,000 additional jobs, according to our estimate. We also advocate spending some $500 million on railway upgrading as recommended by the Hall commission. This would be good not only for the farmers in the west but would also provide employment for some 70,000 Canadians.

Third, we say $300 million in urban transit should be spent. Again this is good for a variety of reasons. It is good to stimulate the economy, but also it is an important means of conserving energy. As everyone knows, urban transit is the best form of transportation for our cities in terms of conserving energy. That program would produce some 40,000 jobs.

● (1530)

Finally, $500 million would go into a special housing program to reverse the recent pattern of CMHC, which has been underspending its own capital budget. We would concentrate on non-profit and co-operative housing, housing for the people who need it most. Again, two needs are met. Canadians who need housing would get it and there would be 70,000 new jobs produced. That is some 240,000 jobs in all.

I want to stress that this four-part capital works program would be worked out in conjunction with the provinces and the priority targets would be those parts of Canada which have the highest unemployment levels.

The combined package of this capital investment program plus the cut in taxes over two years would provide in the public and private sectors a total of 400,000 additional jobs. In suggesting these ideas, I am sure the Minister of Finance will say they are not new. I say to him in passing that good ideas do not necessarily have to be new. I just wish the Liberals would pick up on some of our old ideas and apply them. If they did, the country would be in a lot better shape.

I want to deal with two important points that have been raised by the Minister of Finance, who has suddenly officially acquired his conservative clothing. They have also been raised by the official opposition and by a number of newspaper editorial writers across the country. They attack the kind of program that I am now outlining. They do so on the basis of a profound mythology that is being re-established in Canada, something that I thought came to its final and crushing end after World War II. Evidently it has not.

What are the aspects of this mythology? First, we should not have such a program because, myth number one, we have a terrible record already in terms of our deficit. How does the

level of our deficit fit in with the reality of other industrial countries? If you look at the seven major OECD countries and compare their deficit as a pecentage of their GNP, how does Canada fare? Germany, which is not doing badly in the economy—and I hope the Prime Minister (Mr. Trudeau) had a useful chat with Helmut Schmidt—has a larger deficit. Japan, which has also not done badly in recent times, has a larger deficit, as does Italy and the United Kingdom. There are only two countries among the major seven whose deficit is somewhat "better"—and I put that in quotation marks—than ours, and they are France and the United States.

If you look at our record of deficit as a percentage of our GNP and compare it with other industrial countries, Mr. Speaker, we are doing very well indeed. We should get rid of this myth, and myth it is, that we are much too much in debt already as a nation. I have said in the past, and I repeat today, that the private sector, large corporations and small, borrow money and go into debt for future expansion and development. No one criticizes that. It is time we recognized that if it is appropriate for the private sector to go into debt for some period of time, if it is using those funds for investment to create jobs, it is damned well appropriate for the government sector to do the same. It makes economic sense in both cases.

Some hon. Members: Hear, hear!

Mr. Broadbent: Myth number two; government expenditures have been running wild. That is the other cliché we have heard from both the Conservative and Liberal parties. What is the reality? There have been some relative increases in our debt, even if it is not nearly the same level which exists in the majority of other OECD countries. What has been the reason for the debt? Has it been that government expenditures have been running wild? Of course not. The most recent figures available, 1977, indicate the contrary. Of the 14 selected OECD countries, average government expenditure as a percentage of GNP was 44.1 per cent. In Canada, it was 41 per cent, substantially below the average. That is a good comparison for us.

The reason we have gone into debt is for quite different considerations, and I now want to address those. Any party or government has to be concerned about the long-range implications of its level of debt, just as in the private sector a small or large corporation cannot go on with a debt piling up indefinitely. The question is a serious one. It must be answered at any given time with regard to the level of debt, how it is being used and how it compares with the situation in other industrial countries.

Why have we been increasing our deficit since 1975? Has it been because of the great so-called increase in expenditure by the government? Contrary to mythology, it has not. The main reason for the increase in our deficit since 1975 has been the increase in costs that have had to be borne. Tax revenues have gone down, higher unemployment insurance payments have been made and a high level of debt charges because of the high interest rate policy pursued by this and the preceding government has been forced upon the people of Canada.

Those are the main reasons for the increase in the debt of the people of Canada. It has almost nothing to do with the level of government expenditures as such. The reason we are having a decline in revenue coming from individual taxpayers and a decline in tax revenues from corporations is that the Government of Canada has not managed the economy well. We have had an increase in debt because of the incompetence of the Liberals who have governed this country for so long.

An hon. Member: And you propped them up.

Mr. Broadbent: We will hear from our friends who sit literally and metaphorically on our right in just a minute.

The solution is to turn this rundown economy around and get it moving in another direction. If our policy suggestions were implemented tomorrow, the following results would occur. More taxes would be paid by individuals who would be working instead of collecting unemployment insurance. Businessmen would pay higher taxes to the government instead of going out of business. Farmers would pay more taxes instead of losing income on their farming operations. There would be fewer payouts from the public treasury for unemployment insurance and welfare. Those would be the results of the kind of program we have advocated.

I want to say quite frankly that our package would constitute a $2.3 billion stimulus and would indeed increase the deficit by $800 million to $900 million in the current year. However, because of the stimulus provided in this year, we have calculated that the net effect within a couple of years' time would be a net reduction of $3 billion to $4 billion. It is that kind of planning which this party believes in, and it is precisely that kind of planning which is rejected by the two old-line parties.

● (1540)

I want to deal with another concern which has been expressed in editorials and elsewhere, which is that such a program at this time would be inflationary. But would it? I should like to suggest the contrary. Consider the following. We have a million unemployed; fact one. Fact two, the most recent capacity-utilization figures offered by the government itself for the first quarter of this year show that manufacturing in Canada is running at only 84.6 per cent of capacity and that in the important durable goods sector it is operating at only 80.4 per cent of capacity. These factors taken together mean that the economy should be able to take a lot of stimulus at this time without resulting in an increase in inflation.

However, just to hedge our bet and, what is more important, to qualify the judgment, we make an additional proposal. One of the important characteristics of modern western economies, one of the essential features of what has come to be known as stagflation, is that corporations, particularly large ones, do not respond to market conditions, even guided market conditions of the kind we are proposing.

It might well be the case that, if the government were to produce a package of stimulation of the kind I have been advocating, a number of corporations would use the opportu-

nity to jack up their prices in an unwarranted way. That is precisely what has come to be known as stagflation in other countries. They would jack up their prices not because their costs went up, not because they were obliged to, but because they saw an opportunity to make greater profits.

In the face of this reality we are also saying that it makes economic sense to produce, concurrently with this kind of stimulative package, a fair prices commission which would be able to monitor what went on in the economy and would have authority to order a roll-back of every unjustified price increase. If this were to take place, if the government had enough innovative imagination to produce such a commission, two things would follow: many companies which otherwise would have boosted their prices would decide not do so because if they did they would be caught; second, those which did so would have their prices rolled back unless the increase could be justified.

Then there is the question of wage settlements, a very important factor in a modern economy. Wage and salary settlements in the rest of 1980 and in 1981 would be much more reasonable, because if workers believed the government was serious about dealing with prices and inflation they would be more reasonable in their wage demands. But as surely as we are sitting here, Mr. Speaker, if the government does nothing about unjustified price increases workers will be demanding, and deserving, much higher wage and salary increases.

The next subject I want to talk about is interest rates. I have no doubt the Minister of Finance is going to claim that he and his party have delivered the goods on interest rates. I say in advance that this is a phony claim and the Minister of Finance knows it.

Why do I say this? First, although rates have indeed dropped—and every Canadian has to be pleased that they have moved in the right direction—the reality is that, contrary to what the Liberals promised, they went up four times right after the election. But, more substantially, the method the government has used to establish interest rates is simply to link them in a fixed way to continental trends. The minister knows as well as anyone in this chamber that the reason rates have gone down in Canada is that they have gone down in the United States. And as surely as they will go back up in the United States, as they will at some point, they will again go up in Canada. We want an independently established, government-ordained interest rate policy.

The other point I would make is this. While the prime rate established by the Bank of Canada has gone down to 10.67 per cent, all those rates which affect Canadians directly, whether they are consumers, small businessmen or farmers, have remained virtually unchanged since the Liberals came to power. Consider the chartered banks. The prime rate is 13.5 per cent but the rate for consumer and small business loans remains at 16 per cent, the area they were in when the Liberals came to office.

Second, consider the retail implications of what the oil companies, the banks and other major retail concerns are doing. Chargex and Master Charge have not reduced their interest rate but have boosted it from 18 per cent to 21 per cent. We see all the commercials urging us to shop at the Bay. I can understand why; they are going to increase interest charges on their accounts to 23 per cent from October 1. Shell recently increased the interest charge on its credit cards to 21 per cent, Gulf is going up to 21 per cent on September 1 and dear old Esso, the largest in the field, not content with 21 per cent has announced it will increase its interest charges to 24 per cent on August 1 of this year.

Some hon. Members: Shame!

Mr. Broadbent: The point I am making, Mr. Speaker, is that if you consider the impact of interest rates on small businessmen, farmers or consumers generally, quite apart from the fact that the prime rate, the Government of Canada rate, has gone down, the rate where it counts in the economy has remained virtually unchanged. It is the responsibility of the government to ensure that changes in the private rate are passed on to the ordinary people where they will do the most good.

I conclude by saying that the Liberals promised action on all these fronts. They promised a Canadian-controlled, low interest rate policy, they promised tax cuts and they promised stimulation of the economy. They have failed to deliver on any of those promises. The approach taken by my party would, in our judgment, produce jobs, reduce unemployment insurance pay-outs, lead to increased government revenue and within two years reduce the level of the public debt. The alternative, the course being pursued by the government—witness the "MacEachen side-step", the master of inaction—will produce continued stagnation in the economy, higher unemployment, increased business failures and a continued rise in the public debt. I have not the slightest doubt that, if the people of Canada were aware of the arguments involved and of their consequences, they would opt for our program any day of the week.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Mr. Speaker, I am sure it will surprise no one in this House to learn that I am unusually interested in the motion before us, in its subject, in its source and in its history. I would like to deal with these, if I might, in reverse order. After all, this is the motion which ended the life of the last Parliament and stopped progress on many important changes which the nation needed.

The motion is introduced today by the New Democratic Party and I found it interesting that the leader of that party found it necessary to half-apologize for its introduction. It was introduced by the NDP to demonstrate that, while other parties might have failings, the NDP stands in a place apart—for NORAD and against it, for the Olympic boycott and against it, for the Parti Québécois and against it, for free speech, except when Paul MacEwan speaks freely of Marxists in the New Democratic Party in the province of Nova Scotia.

Some hon. Members: Hear, hear!

Mr. Clark: The CCF began as a party which was populist and a party that was principled. It became the NDP, controlled by the Canadian Labour Congress. And, Mr. Speaker, if there is a heaven for hypocrites, that will be the next stop for the members of Parliament sitting to the left of my party.

Some hon. Members: Hear, hear!

● (1550)

Mr. Clark: It is not surprising that they should propose motions. Motions are what the New Democratic Party is all about. Always motions, never action. Indeed, it is interesting to look at what happens to their leaders when some kind of action is available. I think of the Hon. Hazen Argue, that Les Benjamin of a decade ago, the man who railed in this House against wheat sales to China and who railed against the Senate, and who is now sitting in that hot bed of socialism, the Senate of Canada.

I think of the Hon. Tommy Douglas sitting now on the board of directors of Husky Oil. The question we have to ask ourselves is, what is in the works for Ed? What haven of socialism awaits him? Will it be Husky Oil? Will it be the Senate of Canada? What corporate welfare bum awaits the hon. member for Oshawa (Mr. Broadbent)?

I want to return shortly to the very creative approach to principle of the New Democratic Party, but first let us look at the cost to Canada of this motion the last time it was introduced in this Parliament. Thanks to this motion and the NDP's sponsorship of it last December, Canadians were denied a budget which set clear economic directions for Canada and laid down a firm plan which would cut the federal deficit in half within four years.

Thanks to this motion and the NDP's sponsorship of it last December, we now have a government which refuses to bring in a budget and which has already added more than $3 billion to the Canadian deficit. Thanks to this motion and the sponsorship of it by the NDP, the freedom of information legislation which my government introduced is being amended now to close the public of Canada out. Thanks to this motion and the NDP's sponsorship of it, the nuclear inquiry which was sought earlier this very day by the hon. member for Mission-Port Moody (Mr. Rose) has been shoved aside and shrouded in secrecy so that the people will be shut out and only the bureaucrats will take part. Thanks to this motion and the NDP's support of it, Canada has no energy agreement and no energy policy.

An hon. Member: Would you have provided us with one?

Mr. Clark: I hear the voice of the new Hazen Argue booming from the background asking if we would have provided one. Of course we would have, and he knows it. We would have provided a program which would have set this country clearly and emphatically on the road to energy self-sufficiency within this decade. The government opposite says it cannot be done. We know it could be done by following the policies which were set forward in the budget and in the proposals that the motion introduced by the New Democratic Party brought to a halt in this Parliament.

That proposal would have provided orderly and staged price increases to more realistic levels. It would have produced more than $6 billion in new federal tax revenues from the large corporations for energy investment by Canadians in Canada. It would have funded new supply programs, new conservation policies and a major effort to switch Canadians from scarce oil to more plentiful natural gas and other energy forms. It would have guaranteed lower income Canadians tax credits to adjust to higher energy costs. The New Democratic Party voted against that. It would have given farmers, fishermen and public transit special energy rebates. The New Democratic Party voted against that. The NDP motion wiped all of that out.

And for what? Today we have no energy agreement. We have no energy policy. Instead, we have a government with a revenue-grabbing policy intent on imposing a new tax on gas exports to push up energy costs for consumers, particularly in the province of British Columbia and the province of Saskatchewan, provinces which the New Democratic Party should be standing here defending. Instead, by their motion last December they imposed new and special burdens upon the people of Saskatchewan and British Columbia.

What else have we? We have in this energy program put forward by the Liberal party as a result of the Liberal-NDP coalition proposals for new refinery taxes which could add 27 cents a gallon to gasoline prices and an equivalent amount to home heating oil costs.

Thanks to this NDP motion Canadians were denied mortgage interest and property tax credits to help meet the high cost of home ownership. Farmers were denied a chance to turn the proceeds from the sale of farms into retirement income free of capital gains taxes. The Atlantic provinces lost the benefits of special tax contracts for new investments and new incentives for Canadian fishing vessel construction. Instead, we now have a government bent on punishing the poor through the de-indexation of personal income taxes. The New Democratic Party says it is happy about that. The Leader of the New Democratic Party says he wants to abolish indexing. He supports the proposal to punish the poor in Canada which is being put forward by the Liberal party. Together this Liberal-NDP coalition wants, over the next five years, to raise taxes by 180 per cent for families with taxable incomes of $10,000 and to bring back on to the tax rolls thousands of Canadians who are now too poor to pay any tax at all.

That is what this motion did for Canadians the first time around, and I am pleased that the New Democratic Party has agreed to recycle it this afternoon so that the people of Canada can be vividly reminded of just what the New Democratic Party has done for them lately.

There are a few other things Canadians should know about the New Democratic Party and its carefully cultivated image of consistency. Members of the New Democratic Party are as consistent as a rag in the wind, shifting with every breeze. On foreign policy, the hon. member for Oshawa said during the

election campaign that he was 100 per cent behind President Carter's policy on Afghanistan. Then we heard from the hon. member for New Westminster-Coquitlam (Miss Jewett). She condemned her leader for that statement, so the Leader of the New Democratic Party turned around and said he was not 100 per cent behind Mr. Carter.

The New Democratic Party is on record against participation in both NORAD and NATO. Then the Leader of the NDP in the election campaign said that he wanted to review that position. After the campaign his Ontario council passed a resolution accusing him of flagrant disregard of party policy. So, with the election safely behind him, the Leader of the NDP said that he still might have a review but that it would not change the position. The New Democrats are still against NORAD. The New Democrats are still against NATO, regardless of any contrary impression which might unfortunately accidentally have been left during the election campaign.

On national unity, the Leader of the New Democratic Party gave a speech in this House in which he praised everything about the Parti Québécois except its *raison d'être*, sovereignty-association. Then he refused to participate in the No campaign in the Quebec referendum. I can understand that. Since their Quebec leader was an active member of the Yes campaign, I suppose they did not want to divide their energies.

Then at the first ministers' conference the NDP asked for a voice without a vote. They wanted to be heard, but they did not want to be counted. That was the first time they had been quite so straightforward about defining their role. They want to be kibitzers at the card game and to tell other people how to play but not to get into the action themselves. That proposal was rejected by all of the premiers, including the NDP premier of the province of Saskatchewan.

I point out that that is not the first time the NDP in office has disagreed with the NDP in motion. The party to my left opposed tax credits for mortgage interest. Allan Blakeney made them the law of the province of Saskatchewan. The party to my left said it would support only minor increases in oil prices. Premier Blakeney said, and I quote him exactly: "Prices should increase in regular steps and move toward the Chicago price".

Speaking of energy, the federal New Democratic Party produced in the last election campaign a campaign document advocating making the petroleum industry a regulated utility similar to Hydro. But that meant a federal bureaucracy would have to control provincial royalties, and they were not going to say that in the province of Saskatchewan. In fact, they were not prepared to discuss federal control of resources in Saskatchewan at all. It becomes a little embarrassing when your own premier has gone all the way to the Supreme Court of Canada to protect the provincial jurisdiction that you want to destroy.

The NDP talk about small business, and then they advocate taxes which would wipe out many family enterprises. They declare themselves in favour of freedom of speech and freedom of information, and their Nova Scotia party evicts an elected member who had the temerity to speak out against what he regards as Marxist elements in the party in that province.

That is the New Democratic Party, the most unprincipled and inconsistent party in this Parliament, and I want on my behalf and on behalf of other hon. members to thank them for introducting a motion which gave us the opportunity to put their position on the record.

Now, if I might, I would like to turn to the government.

[*Translation*]

The Grits always boasted they were the low-income people's party. Isn't that beautiful! The truth of the matter is, Liberals have but contempt for those who can hardly make ends meet. There is ample proof of this. Who else but a party with contempt for low-income people could consider de-indexing personal income tax, as Liberals propose to do? Clearly the hardest hit Canadians will not be the high-income people. Indeed, the hardest hit by that barbaric step will be the citizens who have a hard time under the current inflationary period earning $10,000 of taxable yearly income.

These Canadians will have their personal income tax increased 180 per cent over a five-year period. Moreover, thousands of Canadians who are not paying any income tax now will become taxable as soon as de-indexing is effective. They will have to pay because of the incompetence of a government that inflicted on us a deficit that is now standing at the $14 billion level.

My party will not let such a mean and unjust proposal hit small wage earners, and I warn the government that we will be putting up a constant fight to prevent them from de-indexing personal income tax.

Mr. Speaker, you have there an example of the contempt felt by this government for small wage earners. It is not the only one. The Liberals are charlatans and their word is not worth more today than it was in 1974, when they fought price controls. Something similar is now happening in the energy area. Throughout the election campaign they fought the 18 cents tax on gasoline. But what are they now proposing, Mr. Speaker? They are considering a tax on oil sold to refineries. And the rate of that new tax will be 27 cents a gallon at the end of 1982. There is worse, however. As opposed to our tax, that only applied to gas used for transportation, the Liberal 27-cent-a-gallon tax will also apply to heating fuel. This means Quebeckers, whether rich or poor, will spend some $200 more on heating over the 1982-83 winter.

● (1600)

[*English*]

I want to speak for a moment more about indexation. I noted earlier that the leader of the NDP indicated again today that he wants to abolish the proposal for indexation; he wants to impose upon Canadians earning $10,000 a year a 180 per cent tax increase over the next five years. That is what the NDP believes in, that kind of abolition of the indexing pro-

posal. He spoke of it in Vancouver in October of 1976. His finance critic spoke in August of 1979 about their plan to do away with indexing and to put that kind of burden on the poor of Canada. We do not know, naturally, if they spoke for all in their party. We have not heard the hon. member for New Westminster-Coquitlam or others who normally take issue with the positions which the party spokesmen take. We do not know if she will prevail or they will prevail, but that at least is their position on the record. They want to attack the principle of indexing. They want to impose that kind of burden upon the poor of the country.

I say that it was this party, under the leadership of my distinguished predecessor, the Hon. Bob Stanfield, which pioneered the concept of indexation and finally forced a former Liberal government to enact that concept. This party has no intention of allowing the present government to proceed with their plan to take away that benefit from the people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: The Government of Canada has the responsibility to lead the fight against inflation. Without indexation the government has a vested interest in profiting from inflation. That is unacceptable to this party, unacceptable to the people of Canada, and it should be unacceptable to this Parliament.

Some hon. Members: Hear, hear!

Mr. Clark: The government has a responsibility, if it wants to increase its revenue, to put tax proposals openly and—although I find it difficult to associate this word with the government—honestly before Parliament and before the people. De-indexation is a back door tax increase. That is unacceptable to the people of this country, it is unacceptable to this party, and it should be unacceptable to this Parliament. I say to the government, and especially to the Minister of Finance: If you need more tax revenues, deal with that need honestly, openly and responsibly. I say to him that tax revenues to help reduce the deficit are one matter; tax revenues simply to feed the appetite of this government to spend the public's money is something else. We on this side of the House will oppose any budget which seeks to inflict upon Canadians higher taxes and higher deficits.

This motion today allows us the opportunity not only to draw to the attention of Parliament and of the public the record of inconsistency of the New Democratic Party, but also allows us, through an amendment, to have the House of Commons express its position on the question of indexation. Therefore I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the motion be amended by adding the following: "and in particular rejects the plan to de-index the personal income taxes of Canadians."

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The House has heard the motion of the Leader of the Opposition (Mr. Clark). While I am on my feet, may I bring something to the attention of hon. members. The Chair was in some confusion about whether or not Standing Order 58(13) applied. Having consulted the Standing Orders, I want to indicate that if it is the Minister of Finance (Mr. MacEachen) who is next to take the floor, he will have 30 minutes in which to speak.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Mr. Speaker, in a sense the debate this afternoon reproduces the amendment which led to the defeat of the former government last December. I was somewhat amused when the New Democratic Party revived this amendment. I thought they wanted to recapture, for even a brief few hours, their moment of glory of last December when they drafted an amendment upon which we voted and brought down the government. They should not take too much pride in their craftmanship because I would tell them that the words may not have been very important in reaching that particular decision.

An hon. Member: You are right.

An hon. Member: Marriage breakups are always messy.

Mr. MacEachen: The occasion has been used by the Leader of the Opposition (Mr. Clark) to recount the alleged losses experienced by the Canadian people since last December. From my point of view, the recreation of the amendment allows us to reflect upon the number of positive things which have happened since last December and, more particularly, to discuss some of the economic problems which face the country at present.

● (1610)

I welcome the views expressed by the Leader of the New Democratic Party (Mr. Broadbent) and the Leader of the Opposition, and I assure them I will reflect a great deal upon the advice they have presented this afternoon.

If hon. members look back at the motion moved by the Liberal party last December, they will see the reason we voted to get rid of the Tory government and what has influenced our thinking since returning to office. Obviously the Liberal party, at that time the official opposition, had the opportunity to move the main motion, which was amended by the New Democratic Party, and it was upon the vote on the amendment that the government was defeated.

The motion moved by the hon. member for Windsor West, the Minister of Industry, Trade and Commerce (Mr. Gray), was:

—this House condemns the government for its budget which will place an unfair and unnecessary burden of higher gasoline prices, higher fuel oil prices, and higher taxes on middle and lower-income Canadians.

At a time when Canadians were faced with higher energy prices because of the actions of the OPEC countries, we believed that to add 18 cents a gallon to the cost of gasoline was unfair and would be damaging to the Canadian economy. That tax is gone. We believed that during a period of high energy crisis and difficult inflation, to ask low and middle-income earners to pay to subsidize those Canadians who are at

least well off enough to afford a home was unfair. That program has also disappeared.

We felt that the limited spending resources of the federal government should be aimed first at helping those who need help most. One of our first steps after forming the government was to increase the guaranteed income supplement by $35 a month. We have taken action that removes the unfair measures proposed in the Conservative budget, and within the available resources of the government to help those who are hardest hit by inflation.

On energy, we are working as a government to bring about an energy package which can be presented to the House of Commons and which will be the basis upon which to provide a budget. I want to say a word or two about that later.

I want to share the view of the Leader of the Opposition in respect of the New Democratic Party, at least in one aspect, and that is its failure, in fact its repudiation of past efforts, at intellectual honesty. At one time the precursor of the New Democratic Party set a standard for at least intellectual honesty, if not political judgment. The Leader of the New Democratic Party has, I believe, the effrontery to come before the House presenting a motion and saying that in the last election campaign the Liberal party promised to reduce interest rates, promised to reduce taxes, and promised to produce a stimulative budget.

There is a word for that statement, and the word is simply that the statement is a lie. The NDP possibly will have another speaker during this debate and I challenge the next speaker to produce a statement from the leader of our party during the election campaign saying we would reduce taxes. On the contrary, the leader of our party on taxation said there would be review of the taxation system to ensure that it be fair and equitable, that no new taxes would be introduced or, contrarywise, that no new programs would be introduced in the House of Commons unless those programs were financed by new taxation or from savings from current programs. That is what was said on taxation.

On the stimulative deficit which the leader of the New Democratic Party has mentioned, he can search forever and a day and find no support for his allegation this afternoon. On the question of interest rates, he will search the speeches of the leader of our party to find a promise that we would reduce interest rates. I happen to be chairman of the platform committee and I know the sequence of events. I know the consideration given to that problem, and there was no commitment to lower interest rates. We did not make the commitment, but interest rates came down, and that is the main point I want to make.

The leader of the New Democratic Party ought to be more careful in searching out his facts and telling the House of Commons and the Canadian people the truth, because there is absolutely no statement made by the leader of our party, who was establishing the party platform during the campaign, to support any of his allegations.

We had a speech this afternoon from the Leader of the New Democratic Party which was extremely interesting. He has prescribed a fiscal and monetary policy for Canada that nobody in any other industrial country will support. I attended the meeting at the Summit recently. The seven main industrialized countries were represented there and not a single leader, not even Helmut Schmidt, would support the line put forward today by the leader of the New Democratic Party.

I remember one or two times in the House when the Leader of the New Democratic Party described or held Helmut Schmidt up as a soul-mate, a model of socialism in action that might be emulated by other countries; but no leader among the seven would subscribe to the economic policy put forward today by the Leader of the New Democratic Party, and that includes Japan, West Germany, the United Kingdom, the United States and all the others.

In fact, what the communiqué stated was that "determined fiscal and monetary restraint is required to break inflationary expectations". Earlier in that paragraph the communiqué stated that "the reduction of inflation is our immediate top priority and will benefit all nations. Inflation retards growth and harms all sectors of our societies". Even though I have committed myself to reflect upon the views of the Leader of the New Democratic Party, I will have to do so in the context of the prevailing opinion in all industrialized countries of the west that the immediate top priority is the battle against inflation, and that at this stage it would be unwise to change that fiscal and monetary stance in order to reflate the economy, and to reflate it in the extravagant way suggested by the Leader of the New Democratic Party.

● (1620)

The Leader of the Opposition referred to the failure of the government, up to the present time, to bring in a budget. I find it passing strange that he would raise that subject in view of the long period which his minister of finance took before presenting a budget to the House of Commons. The former minister of finance, the hon. member for St. John's West (Mr. Crosbie), knows how fundamental energy policy is to the development of a budget or a fiscal plan. The hon. member has taken to using that more sophisticated phrase, "fiscal plan", and I use it in my vocabulary now following the usage by the hon. member.

The hon. member for St. John's West knows that an energy policy has immense implications for revenues, expenditures, and the deficit. He delayed his own budget until December, and even at that time his government had not succeeded in finalizing an energy agreement with the provinces. We are in the process of finalizing or seeking an energy policy now which will be more acceptable to all Canadians than the policy of the former government. As all hon. members know, negotiations with the producing provinces are proceeding at the present time with all possible dispatch.

The existing pricing agreement has been extended for one month. The ministers of energy of the various governments are at work and later, no doubt, the Prime Minister (Mr. Tru-

deau) and the Premier of Alberta may be required to meet in order to finalize an agreement.

Mr. Clark: When the Prime Minister can fit it in.

Mr. MacEachen: Until that happens, the same reasons which prevented the former minister of finance from bringing in a budget apply in my case. I would also add that at the present time we are carrying further the expenditure planning system which was introduced by my predecessor on this side of the House and later developed by the former government.

Mr. Clark: That was something else your public servants overlooked.

Mr. MacEachen: Until our expenditure plan is fully developed, it would be better to delay a budget, though I am not using that as a particular reason. However, the fiscal plan would be more complete with a fully developed expenditure plan.

I said at the beginning, Mr. Speaker, that I wanted to talk about the economic situation. I shall begin by saying a few words about the economic situation of the United States. These are clearly difficult times in the United States. The economy has slid into the long awaited recession, and there is no doubt about that. The key uncertainty at the present time for forecasters is the severity of the recession and the strength of the recovery. That, of course, is a fact that is of great significance to Canada because there is no doubt that the U.S. recession will spill over into this country.

As a result, 1980 will be a year of very slow growth. In April, I forecast real growth of one-half per cent. The actual outcome could turn out to be much worse for this year. We have already begun to see some of the manifestations of the slow-down. According to the recently released national accounts, real GNE fell by one-half per cent in the first quarter of this year. The main sources of weakness were residential construction, inventories and exports. Unemployment climbed to 7.8 per cent in May. My forecast in April was that unemployment would average 8 per cent for the year. Consequently, the unemployment rate would have to rise above 8 per cent for the rest of the year. Also, I cannot rule out the possibility that the unemployment rate may rise even faster than this figure would imply.

The weakness in the growth of output is not the only problem. Inflation continues at a high level. The consumer price index in May was running about 9.5 per cent above the figure of one year ago. I expect inflation to average 10 per cent for the year. As I mentioned earlier, inflation is an international problem that has been refueled and fueled again by the absorption of hefty oil price increases. The prices of the goods which we import is helping to sustain inflation. Domestic forces contributing to inflation have been moderate and it is important that this continue.

There is no getting around the fact that we will go through a difficult period. In going through this difficult period, it is of the utmost importance that we retain a sense of perspective about the fundamental strengths of the Canadian economy. We are going into this period with an external value of the Canadian dollar and relatively moderate increases in domestic costs, all of which has put our manufacturing sector on a sound, competitive footing.

Canada is unique among industrial countries because of the opportunities offered by our energy sector. We must seize upon these opportunities and make the best of them. Our energy strategy is being developed with this objective foremost in mind. The greater certainty that will flow from a new energy policy framework will provide the basis for major economic developments in Canada, including oil sands plants, heavy oil production, Atlantic shelf exploration and development, new pipelines and gas conversion, all of which are in the offing and can be moved ahead. These developments will provide much of the driving force behind the economy in the 1980s.

The debate up to the moment has, in a sense, outlined the difficult choices which are facing the government and myself as Minister of Finance. Pressures are mounting to stimulate the economy with more expansionary fiscal and monetary policies.

The Leader of the New Democratic Party has called for large tax cuts and for massive expenditure increases. He has also urged the government to lower interest rates and to speed up or commence the process of rapid monetary expansion.

An hon. Member: Oh, oh!

Mr. MacEachen: I assume that the hon. member understands the implications of his forced draft interest rate policy on the money supply. However, these are the views of the New Democratic Party which, in a sense, is the new New Democratic Party. Or perhaps it is the old New Democratic Party, because increasingly the views of the New Democratic Party are becoming somewhat old-fashioned. They present views which do not take into account the realities of the world. The Leader of the New Democratic Party paid slight attention to the question of inflation which is engulfing the world and threatening Canada. He has overlooked other countries which have followed his strategy and which have brought themselves to the brink of ruin today.

• (1630)

I think it is irresponsible to call for more expansionary fiscal and monetary policies in the present circumstances, as the Leader of the New Democratic Party has done today. He has obviously not taken into account a number of very important factors, such as, first of all, the very large stimulus provided by the large deficit we are running at the present time. The Leader of the Official Opposition talked about the four or five-year plan of his government to cut the deficit in half. What he had in mind, I believe, was their objective of cutting in half the financial requirements of the government and to cut the deficit by $2 billion.

The Leader of the New Democratic Party ought to keep in mind the fact that we are providing a very large stimulus to the economy at the present time.

Mr. Broadbent: How does the deficit compare with that of Germany?

Mr. MacEachen: I believe the Leader of the New Democratic Party has swept aside totally the difficult fiscal position of the Government of Canada at the present time. He has declined to consider the position of the federal government in comparison to that of the provinces, the relative situation of the five eastern provinces with respect to the federal treasury, and the relative situation of the largest oil producing province with respect to the federal deficit.

The fact of the matter is that the federal government is expected, presumably, to bear the main brunt of economic stabilization in Canada. It will be quite difficult for the federal government to discharge that responsibility unless it has access to more revenues that can come and ought to come from a new pricing arrangement.

As I said, the Leader of the New Democratic Party has overlooked a number of these important factors. He is asking me to administer a "quick fix" to the Canadian economy through massive new expenditures, through massive tax cuts and to administer lower interest rates. If I thought that recipe would solve the long-term problems facing the country, then I might be tempted to use it; but I believe that what that policy seems to recommend is the curing of short-term symptoms which in the long run make our situation worse.

Surely the objective of the Leader of the New Democratic Party and that of myself is precisely the same: to bring about increased productivity and a resumption of growth in the economy. I doubt whether, in the long term, that resumption of growth and increased productivity—new real investment—will occur if we put into place the policies recommended by the hon. member for Oshawa.

As I said earlier, my attitude in that respect was influenced by my attendance at the meeting of OECD ministers and by the discussions at the Summit. The consensus was that it would be desirable to maintain the battle against inflation and not to risk a renewed outbreak of inflationary expectations by an attempt to deflate at the present time.

The hon. member for Oshawa made another important point. He said that there is no difference between the fiscal stance of the former Conservative government and that of the present government. In that he made a very basic mistake. If the fiscal plan of the former minister of finance had been allowed to reach fruition, or if, indeed, we look at the predictions he gave us in his December budget, we see that his financial requirements for 1980-81 were stated as $8.2 billion and his deficit would be $11.7 billion.

The hon. member for Oshawa has obviously failed to take into account the new projections given in my April statement, which indicated that the financial requirements for 1980-81 had increased to $11.7 billion and that the deficit had increased from $11.7 billion to $14.2 billion. I regard this as a very considerable deficit and a very considerable stimulus to the Canadian economy.

Mr. Crosbie: Come off it!

Mr. MacEachen: I would differentiate my posture from that of the hon. member for St. John's West in that respect. The Leader of the Opposition identified the difference. The fact of the matter is that the policy which I have been pursuing leaves more in the economy and provides more stimulus of the economy than did the December budget. To put it another way, if the policies of the former minister had been allowed to come into effect, the economy would lose a considerable amount of this particular stimulus.

Mr. Clark: Hogwash.

Mr. MacEachen: If the Leader of the Opposition wants to consult the statistics he will find that the figures are perfectly correct.

This afternoon I have been asked, on the one hand, by the hon. member for Oshawa to undertake massive deflation, and I have been asked by the Leader of the Opposition, on the other hand, to revert to the deficit reduction policy of his government which would take place over a four-year period regardless of the impact of expenditure and the deficit on output, growth and employment. I have taken a course in between, Mr. Speaker. I have not followed the extremism of the former minister of finance nor the extremism of the Leader of the New Democractic Party.

Mr. Clark: In fact, you have done nothing at all.

Mr. MacEachen: The Leader of the Opposition is wrong again in saying that we have done nothing at all. What we have done is to avoid a deflationary net impact upon the economy of the $2.3 billion which his minister of finance would have extracted in the form of the excise gasoline tax. After he had paid for the mortgage tax credit program, he would have deflated the economy through that particular tax measure by $2.3 billion.

Mr. Crosbie: Where is your housing program? Where is the one you promised?

Mr. MacEachen: I want to make it very clear where we stand at the present time.

Mr. Crosbie: You are not standing, you are crawling.

Mr. MacEachen: I want to make it very clear where we stand at the present time.

Mr. Broadbent: Inertia has become the principle.

Mr. MacEachen: I am delighted at what has happened. I have deserved the opposition of both opposition parties. It gives me some comfort that I am following a more moderate course. What I am saying is that both fiscal and monetary

policy at the present time is set to maintain sustainable growth at declining rates of inflation.

● (1640)

Mr. Crosbie: Decline in the GNP, that is great growth!

Mr. MacEachen: The onset of the recession will not lead me to adopt the very massive tax cuts and the very massive expenditure proposals of the Leader of the New Democratic Party. The onset of the recession will not lead me to balloon up the deficit as he has prescribed this afternoon. On the other hand, the prescriptions of the Leader of the Opposition will not be followed either; that is, to follow a four-year program of deficit reduction regardless of the impact on growth, employment and jobs. It seems to me that what is required at the present time is a more moderate course—

Mr. Clark: Of doing nothing at all?

Mr. MacEachen: —a course that will continue until an energy program is put in place and it is possible to bring down a budget to address the total problems in the way we would all want.

Mr. Clark: This year, Allan?

Mr. Kempling: Don't hold your breath.

Mr. MacEachen: Finally, may I say a word about the amendment moved by the Leader of the Conservative party, an amendment which in its dishonesty is rather apparent. He refers to a plan—

Mr. Clark: Your plan.

An hon. Member: Ask Ian Stewart.

Mr. MacEachen: —to de-index the tax system.

Mr. Clark: It is on the record.

Mr. MacEachen: There is no such plan. The fact that the Leader of the Opposition puts it in a motion will give it no more dignity than the allegations made by the hon. member for Oshawa which were so severely castigated by the Leader of the Opposition because they appeared in the amendment last week.

Mr. Clark: Then you can vote for the amendment.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, let me just deal with the point made by the Minister of Finance (Mr. MacEachen) that there is no plan to de-index the income tax. How can he say that after what he has said here in this House? I refer to *Hansard* for June 17, 1980, at page 2176, where the Minister of Finance, in his usual and obscure way, finally makes a definite statement about something. In response to a question put by the hon. member for Etobicoke Centre (Mr. Wilson), our critic on industry, trade and commerce, the Minister of Finance said this:

Election Promises

But I would say that just recently the financial critic for the NDP, I believe just a moment ago, referred me to the institute on public policy, suggesting that I should read its publication for my instruction. I understand that that body, as one example, has recommended certain changes in the index system in order to deal with the current situation. I make that point simply to tell the hon. member that it is not something one ought to drive out of one's mind as being totally unworthy of consideration.

For that minister, this is a definite, explicit statement; it is not something one ought to drive out of one's mind as being totally unworthy of consideration. Our amendment says: "Mr. Minister, drive it out of your mind as being totally unworthy of consideration". That is the effect of our amendment.

Some hon. Members: Hear, hear!

Mr. Crosbie: The Minister of Finance went on to say this:

Even his colleague, the former minister of finance, told us that he had considered the proposal: that is what I am doing at the present time.

This is what the Minister of Finance said in this House on June 17, 1980. Today is June 25. He said that eight days ago and today he says there is no need for our amendment.

Mr. MacEachen: There was no plan. There never was a plan.

Mr. Crosbie: The minister said he is considering the proposal. This amendment says: "Mr. Minister, do not bother considering it any longer; do not put the blocks to the poor innocent taxpayers of Canada who voted for you on February 18, little knowing that you were going to de-index the income tax system so that you could put a crown of thorns around their brow without any notice to them if you got the chance." He certainly never campaigned on that proposition.

While I am on the point of de-indexing, let me give some impartial opinions. Dian Cohen, not known to be a great supporter of our party, wrote in the Ottawa *Citizen* on Monday, June 9, 1980:

The recent Liberal suggestions concerning income tax increases and the end of indexing are at best cowardly, at worst despicable and dishonest.

So we ask government members to support our amendment so that the minister will not go forth with this cowardly, despicable and dishonest matter that he is now considering, which he admitted himself on June 17 he is considering. I tell him to get it out of his mind.

Further on in the article written by Dian Cohen, she says, that it "goes against the grain of everything that is honest and fair". Where are the honest and fair fighters that we had on the other side when we were in office for some short period of time? Where is the Minister of Industry, Trade and Commerce (Mr. Gray)? One would have thought he would have growled his way from Ottawa to Vancouver fighting this proposal if we had listened to what he said when he was in opposition last fall. Where is he?

What did Mr. John Bossons, a professor at the University of Toronto, say? He said this:

It would hit low-income people the hardest. It would hit them even harder next year and harder yet the year after that.

Mr. Bossons went on to say that the taxes of a one-income family with two children, in which the father earns $10,000 a year, would go up 30 per cent in 1980 if the government drops indexing. But if the father's income does not go up, and assuming an inflation rate of 9 per cent a year for five years, the cumulative effect would be for his taxes to go up 180 per cent by 1985. That is the little present which the Minister of Finance wants to give to the low income taxpayers of this country. I could give a lot more examples, but I will not.

One of our newspaper columnists, a great Canadian national statesman named Charlie Lynch, wrote a column which made a lot of sense in the Montreal Gazette for June 25. Mr. Lynch came to the conclusion that the NDP's motion seemed preposterous. That is just what it is. He says to the Leader of the NDP that he should cease to be Georgie Porgie who hits the girls and runs away. He is Georgie Porgie, pudding and pie, who kissed the girls and ran away.

An hon. Member: "Made them cry".

Mr. Crosbie: All right, "made them cry". The Minister of Finance has been asked to kiss a few people here today, or was it the Minister of Industry, Trade and Commerce? A kiss from him would certainly make you cry. So I say, cease being Georgie Porgie. Never mind these irresponsible motions which the NDP are bringing in which they think are so clever, because this one was a motion which the Liberals voted with the NDP on last December 13, and that the same motion will be embarrassing to the government.

It so happens that the motion this time is relevant, and one can vote for it with a good heart and in all clear conscience. Because if there ever was a group that should be unreservedly condemned for their outright betrayal of election promises to lower interest rates, cut taxes and stimulate the growth of the Canadian economy, this is the group.

What were some of their promises? Even the guru who recently left the gondolas will have to admit that there were some promises. What are they? Here is a CP dispatch from Toronto dated January 12 which reads as follows:

A Liberal government would hold down government expenditures—

We have just had a $2 billion increase in government expenditures to $60.4 billion. The then leader of the opposition in Toronto said that a Liberal government would hold down government expenditures. It is out of the window with that promise; that was discarded immediately. The CP dispatch continued by reporting that the Liberals would:

—reduce the budgetary deficit and make the tax system more equitable, Liberal leader Pierre Trudeau promised Saturday.

The deficit has gone up $3.7 billion so far to in excess of $14 billion. So much for that promise.

Now I will deal with the phrase "make the tax system more equitable". Yes, this can be done by de-indexing the income tax system or by imposing an oil refinery tax at the refinery level so that every consumer of products from a barrel of oil in this country will have to pay higher taxes, including those who heat their homes in the maritime provinces and elsewhere in Canada. That is the more equitable tax system which the Prime Minister (Mr. Trudeau) promised that Saturday in Toronto.

What else did he promise? He promised a made-in-Canada oil price that is fairer to all Canadians. When will that materialize? We were defeated 194 days ago, on December 13, yet this government which defeated us has not yet brought down a budget. It has no alternative proposals and it has no oil price agreement. Where is the made-in-Canada oil price agreement? Where is the double-tracking? The Liberals were going to double-track the railway tracks from Winnipeg to Vancouver. They have not double-tracked the railway tracks. All they have done is double-cross the country. They have given up. The only pledge they made that they are keeping is to double-cross this country. That is what this motion is about. That is why we will support the main motion once our own amendment is carried.

• (1650)

Some hon. Members: Oh, oh!

Mr. MacEachen: We won't get to the main motion; we will be having a summer election.

Mr. Crosbie: A summer election, I would welcome that. We would be over there with about 250 members.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is what you said last December.

Mr. Crosbie: At the same meeting in Toronto, the Prime Minister said a Liberal government would reduce the deficit. Then he made a qualification, but not at the expense of jobs, growth and the attack on inflation. He has not reduced the deficit. He has increased it $3.7 billion. He has increased unemployment. He has reduced growth, and he has not attacked inflation. Therefore, he has done none of this.

This is what the great man promised in Toronto. He said that new government programs would be financed by reallocating existing expenditures or by increasing taxes. Yes, the minister has increased taxes, the taxes he voted against in my budget of December 11. With the exception of the excise tax on gasoline, he has brought them back into the House or he is putting them through the House now. That is how he is increasing taxes.

He promised not to add to the deficit. The Prime Minister said he is going to review the tax system to ensure that all corporations and individuals will make their fair contribution. Isn't that pretty? Already the Minister of Finance has done that and he is going to do away with indexing.

Mr. MacEachen: Don't be like the NDP, John, be honest.

Mr. Crosbie: In that way we will all make our fair contribution. The Prime Minister said they would not make many promises during this campaign. I am glad that they did not because they have broken every one they did make.

Then they were going to develop industrial policies to stimulate economic growth. That was a promise of the Prime Minister. What happened? We all know that in the first quarter our real gross product here in Canada declined one half of 1 per cent. Can anybody stretch their imagination to say that they have stimulated economic growth?

They are going to create jobs. How many were unemployed in May in Canada? There were 904,000. The rate is up to 7.8 per cent, yet the Prime Minister is going to create jobs. He is going to increase Canadian ownership and control the economy. A fat chance! Nobody will want to own this economy if this government continues with its lack of policy and lack of thrust for the next four years.

He was going to protect poor and middle income Canadians by helping first those who most need assistance. Yes, by taking away the indexing, with the results I have already explained. He is going to do away with the mortgage interest and property tax credit scheme. He did do that. Where is the great scheme to help renters and home owners that we used to hear about from the Minister of Industry, Trade and Commerce when he was in opposition? There is not a word about that.

What happened to interest rates? Interest rates went up to 16.2 per cent during the period this government has been in office. They are down again now, but we know that has nothing to do whatsoever with the Minister of Finance because he himself was good enough to admit that in one of his few frank moments. In fact, he has few moments, frank or otherwise, as far as I can see. On June 13, as quoted in the Ottawa *Journal*, he said in all modesty, and I quote:

—there is no way we can insulate ourselves totally from the U.S. recession.

He made that admission. On April 18, he said lower interest rates were welcome news, but it is worth pointing out that the high interest rates we have had and the very rapid increases in these rates recently have been the direct result of action taken in the United States. He admits he cannot affect interest rates one way or the other. They go up, they go down. They follow the United States kangaroo. When the kangaroo in the United States jumps up, up comes the little pup from down in the belly and the interest rates go up here in Canada. The Minister of Finance is like a little kangaroo pup in the belly of the United States kangaroo. Up, down, up, down. The Minister just went to Venice. There the little kangaroo had a ride with the big kangaroo in a gondola.

What else did they want to do with the tax system? On March 24, only a month after coming into power, the Minister of National Health and Welfare (Miss Bégin) came out with this. I quote from the Ottawa *Journal*:

Included in the minister's list of tax exemptions which she would like to be re-examined were the exemptions for the aged, the married and for children, as well as those offered corporations.

The minsiter wants to do away with tax exemptions for the aged. She wants to do away with tax exemptions for the married and for children. Well, if you are not married and you are not aged and you are not a child, who are you? She wants to do away with exemptions for everyone. That is the new, equitable policy of the Minister of National Health and Welfare, wanting to put her foot right on the neck of the aged taxpayers of Canada as well as the married and the children. This is the great new equitable tax policy that this government is coming forth with. I should say coming forth because it is not coming forthwith.

The minister mentioned the 18-cent excise tax. The suggested 18-cent excise tax on gasoline is going to be far less than the minister is going to be introducing this year and next in his refinery tax at the refinery gate level. That will be on gasoline and on heating fuel. It is going to be far less for the Canadian taxpayer than the de-indexing of the income tax and the other tax increases he is going to make.

The Leader of the New Democratic Party mentioned the level of the deficit of Germany. He keeps yelling, "What about Germany? What about Germany? Well, Germany has tremendous exports. It has tremendous credit in its current account with the rest of the world. It is a strong country. It does not have one drop of oil internally; it imports all its oil. However, it is doing well in the world. If they have a larger internal deficit than we, they can well afford it. They have not had those kinds of internal deficits for the last seven or eight years as we have.

It is not the deficit in any one year that is causing the difficulty today. It is the fact that we have had them for seven or eight years, culminating this year in a deficit in excess of $14 billion. That is what the trouble is. The minister has admitted that his hands are tied in trying to grapple with the recession starting in the United States because of that. He described in his remarks in this House the fact that the large budgetary deficit in the current account means he has little room to manoeuvre. That is the effect of the deficit.

We are not against deficits per se. Nobody suggests that they can be done away with immediately. However, one way to stimulate this country's economy is to start reducing the deficit over a period of three or four years and give the private sector some hope that they are going to be allowed to expand and create jobs. Give them some encouragement, not have them compete with the government for every dollar that they borrow or every dollar that they want invested in them.

The minister and his party did untold damage to this country by defeating us last December 13. Then we just about reached our oil agreement with Alberta. We had the deficit under control. We had an energy tax ready to go ahead in the oil and gas industry, so as to get necessary money to finance energy related projects throughout this country, including helping the taxpayers and the home owners of eastern Canada. All of these things were in place. We had suggested an energy tax credit to help lower and middle income people here in Canada. All of that has been stopped for the last six or seven months by the action taken last December 13.

What good is being done? There is no good being done except to put the minister's party back in power. We have had nothing but indications from the minister and different colleagues of his as to what their course is going to be. They have just been to Venice. What does the communiqué say? Inflation is to be given immediate top priority. There is going to be

determined fiscal and monetary restraint to break inflationary expectations. That is the agreement reached in Venice.

How is the minister going to enforce that? He got up here today and said it is entirely meaningless, that he does not propose to do anything more. Why did they make this agreement in Venice? When the minister said that he supports governor Bouey's policy, the governor said on May 29 to the Senate that he thinks you really do have to stick with the monetary and fiscal policy approach limiting aggregate demand. The minister will not even tell us whether he plans to limit aggregate demand in this country even further, despite the 904,000 unemployed and despite the 0.5 per cent drop of the GNP in the first quarter.

We were in office and put forward detailed proposals for solving the economic problems of this country, we were defeated by the Liberals and the NDP and not put back in office by the people. Now the onus is on the people who put us out to come forward with their proposals and plans. But they are afraid to do so. Having defeated us, they have nothing to substitute for themselves.

On the tax question, the hon. member for Mercier (Mrs. Hervieux-Payette), in a 74-page platform paper for the Winnipeg meeting next week, says this. She noted in passing that Canadians are undertaxed compared with people in many countries. The Liberal MPs on the other side of the House think the Canadian people are undertaxed. Well, the MP for Mercier did not campaign on that basis; she did not rampage through Quebec before February 18 telling the people there they were undertaxed. But now she has prepared a discussion paper for the Liberal party in Winnipeg in which she suggests that the Canadian people are undertaxed compared with people in many other countries. What countries? How are we undertaxed? Who is she comparing us with?

● (1700)

The minister says it is terrible to propose this amendment because he would not dream of indexing the income tax. Well, his deputy minister of finance said to the Senate committee that they require more finances and taxes will have to go up. Who is the deputy minister of finance? The same man who was deputy minister of energy, mines and resources a few short months ago.

What have the seven Summiteers accomplished? They have accomplished nothing except this: the Prime Minister has agreed—he is agreed, now, with us, he has made full circle—that the maximum reliance should be placed on the price mechanism in restraining energy demands. This is what he admitted to at the Summit.

An hon. Member: What do you know?

Mr. Crosbie: What did they agree on? That is exactly what they agreed upon. They changed some wording so that they could pretend that world oil prices had nothing to do with it. We read this:

> Yesterday's communiqué says that in order to conserve oil and increase the use of alternative energy sources "maximum reliance should be placed on the price mechanism and domestic prices for oil should take into account representative oil prices".

So the government opposite is taking into account representative oil prices and it is going to put maximum reliance on the price mechanism. To do what? To conserve oil and increase the use of alternate energy sources. Well, to do that the price of oil has to go up. That is the policy of the government. They try to persuade the people of Canada that when prices go up they haven't gone up, they have gone down. And when the minister talks about his burgeoning deficit, it is not because he is stimulating the economy, it is because he is paying the money to foreign oil producers for the oil import subsidy. Because the cost of that has gone up, from $1.6 billion to $4 billion, as a result of the dishonest policy the Minister of Finance and the Prime Minister put to the country just before the February 18 election. Four billion dollars is going right out of this country to foreigners—to the Mexicans, the Venezuelans. The Venezuelans are putting their prices up by another $2 a barrel in the next few days. All of that money is leaving Canada. And who pays the bill? The income tax payers pay it, not the person using the gasoline to drive his car. It is being borrowed now but the taxpayer will have to pay it back. The government has put a $4 billion burden on the taxpayers this year. The government has given the consumers of gasoline a break of a couple of billion dollars, but they have given the Canadian taxpayers a $4 billion blow.

The Acting Speaker (Mr. Blaker): Order. I hesitate to interrupt the hon. gentleman but his time has expired. He can continue, however, if there is unanimous consent.

Some hon. Members: No.

Mr. Crosbie: If there is not unanimous consent, I will retire, simply saying we intend to vote for the motion.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, we are debating today the motion proposed by the leader of the New Democratic Party (Mr. Broadbent) asking the government to lower taxes, increase government expenditures in order to stimulate the economy, and to—

Mr. Clark: Who is this guy?

Mr. Bussières: Mr. Speaker, the Leader of the Opposition has already spoken. As usual, he seems to be muttering. He could show the same courtesy as other members and listen attentively to another member's speech.

The Leader of the New Democratic Party also asks the government to control interest rates and to ensure that the banks and the large corporations which will benefit from a drop in interest rate pass this on to Canadian taxpayers and consumers.

For his part, the leader of the Progressive Conservative opposition mumbled, as he did earlier, that he blamed the government for considering de-indexation of the income tax

system. Mr. Speaker, this debate is very interesting for Canadians. It is interesting because it shows two positions, the restricting position of the Progressive Conservatives, and the irresponsible position of the New Democratic Party.

Mr. Speaker, this debate shows why the voters chose the Liberal party recently. They did so because the Liberal party holds the middle position between these two extremes. As we said during the last campaign, the Liberal party is the party of good sense, and the Liberal party, which heads this government, has a policy of good sense. In his statement of April 21, the Minister of Finance (Mr. MacEachen) said to Canadians that we were going through a difficult period. There are still inflationary pressures in Canada, and the Leader of the New Democratic Party would want us, as the government, to add fuel to the flames. He would want the government to take expansionist measures by, as stated in the motion, cutting taxes, increasing government expenditures, and so on. The Minister of Finance stated that he wanted to continue to fight vigorously against inflation because he and the government are convinced that, in the middle and long term, this is the best way to provide all Canadians with a healthier economy. That is therefore our objective. It is quite obvious that the Minister of Finance regrets that there is a $14.2 billion deficit but if he has to tolerate this large deficit, it is because the present slowdown of the economy must be attended to and the deficit will enable Canadian society to come through this difficult time with as little unfavourable consequences as possible.

The Minister of Finance does not want to implement the suggestions of the New Democratic Party because, as I said earlier, he finds these suggestions irresponsible and he believes that they would promote inflation and that it would once again be the most needy in our society who would suffer the most.

In his amendment, the Progressive Conservative leader continues to fight against windmills. In fact, he is fighting against rumours. When he says that he is completely opposed to a measure which would remove indexation, the Progressive Conservative leader is fighting against a rumour; he is not fighting against something that the government has done or even against something that the government has announced that it might do. He is fighting against a rumour going around before a budget is brought down.

Now, the Canadians who have well understood the concerns of this government and this party in the last several years, instead of believing rumours, will choose to believe this party and they can rest assured that the Minister of Finance, when he brings down his budget, will also introduce such measures as will be of benefit to all Canadians.

When the Leader of the Opposition speaks of a 27-cent tax at the refinery, once again he is fighting against a rumour. He knows full well, as do all Canadians, that the government, at a time when it is negotiating an oil price agreement, has to consider all sorts of possibilities; when the right hon. member argues against such a measure, he is struggling with Mother Rumour. He is not criticizing a measure announced by the government, but is dealing merely with speculations. That attitude is certainly not what one would expect from a realistic leader of an opposition party. The policy of this government is to face up to reality and to present, in the face of that difficult reality, the measures best able to bring some relief to the Canadian people as a whole.

I shall refrain, Mr. Speaker, from using up any more of the time of the House to deal with this motion. I wish to give other colleagues, other hon. members, the opportunity to address the subject.

● (1710)

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in putting this motion before the House this afternoon, the New Democratic Party is really raising two questions. The first question is the direction of our economic policy. The second question is the integrity of governments and, indeed, the integrity of the political process itself.

I might just say in response to the comments of the Leader of the Opposition (Mr. Clark) that I can honestly say that before I heard him speak this afternoon I, and I know many of my colleagues, had a great deal of respect for his sense of decency in fairness of debate, but I am sorry to say that any respect I may have had before today I have lost completely.

The statements he made with respect to our party's policy were inaccurate and unfair, and in my view they did not contribute anything to a discussion of the motion before us with regard to the direction of the government's economic policy. For a while our economic policy has not really changed, and this is something which I am sure has been felt very deeply by the average citizen over the past few years. We have in fact had a bewildering revolving door performance from governments and oppositions since the earlier Trudeau administration.

The late 1970s saw the Liberal government embracing monetarist doctrines, like an aging widow suddenly lovestruck in her autumn years. The Conservatives, in opposition at that time, combined opportunism and complete confusion in an amazing, and, indeed, confusing blend of policies which included, for example, lower taxes, less government spending, tighter money and lower interest rates. The deficit in one version might be increased.

That was the period when the former member for Ottawa Centre (Mr. de Cotret) was talking about a stimulative deficit, but this policy was not carried through by the party when it took power. The Conservatives in power increased government spending, raised taxes, raised interest rates and made lower deficits a matter of sacred principle.

Both speakers for the Conservative party today, the Leader of the Opposition and the hon. member for St. John's West (Mr. Crosbie), in discussing their tragic loss of power in December, failed to mention one thing in this conspiracy view of history with which the Conservative party has attempted to

comfort itself, and that is the simple fact that between December and the formation of the new government there was something called an election. It was not simply that this House spoke on December 13. It was the people of Canada who spoke in a democratic election on February 18 and rejected the policies of the hon. member for St. John's West, rejected the budget of December 12 and called for change. I think it is all very well to concentrate on what may have happened here in December, but what happened here in December is less important than what happened in the country from December to February.

I want to talk briefly about the position that the Liberal party took when it was in opposition during that Conservative government period. The Liberals in opposition favoured stimulus. The Minister of Finance (Mr. MacEachen) has denied it today, but I refer him to speeches made by the Liberal finance critic at that time in the finance committee, in which, regrettably, the Minister of Finance has not yet appeared, but he will. He was not there during the period we were discussing interest rates. In speeches in the House made by the financial critic for the Liberal party he called for a new budget, and a stimulative budget. I refer the minister in particular to *Hansard* of October 29, 1979. I think it is outrageous for the Minister of Finance to come here and pretend something which everybody knows, and that is that while the Liberals were in opposition they were calling for stimulus. They were criticizing the Conservatives for their policies, and they were criticizing them precisely because the Conservative budget focused exclusively on the deficit and did not deal with the problems of jobs, inflation and growth. That is precisely the reason given by the financial critic in his speech when he spoke in the budget debate, in which I had occasion to speak myself.

The Minister of Finance says today that the Liberal party was never in favour of lower interest rates. Where was he when members from his caucus not only in this House but also in the finance committee discussed for two months the monetary policies of governor Bouey and the policies of the minister of finance at that time? If they were not calling for lower interest rates, the minister and I were in two completely different places last fall, because that is precisely what his party was calling for. His party was criticizing the Tories because they tied interest rates directly to United States rates. If the minister were to look through *Hansard* or the reports of the committee, he would find that that is precisely the position the Liberal party took at that time.

Now the Liberals are in power again. That is a verdict of the people. It is not a verdict with which I was happy at all, but nevertheless it is a verdict one has to accept. I think any theory that there was some kind of conspiracy at work or that the Tory party was robbed unfairly or prevented by some nasty conspiracy from carrying out something the Canadian people wanted it to do is such a fatuous and absurd theory that it hardly deserves refutation. The fact is that those kinds of policies and that message of meanness which was associated with that budget was something which rankled the Canadian public. It stuck in people's throats, and they rejected it. That is a hard fact. I know it is not easy to accept. It is not easy to accept the judgment of a people on an administration which must have been one of the most incompetent, inept, unfair and stupid administrations we have had for many years. The fact that the people rejected that administration, just as they rejected the Liberal administration in May, is not something which can be blamed on the New Democratic Party. I know that is the theory that the Leader of the Opposition would like to espouse. He would like to say that somehow the New Democratic Party—he has conjured up a genie—is somehow responsible for this terribly unfair act and that if the Conservatives had been allowed to carry on in power, everything would have been different and everything would have been all right. The theory, as I say, is so fatuous as hardly to be worthy of refutation.

However, the Liberals are back in power again. Interest rates have gone through the roof. The bank rates charged by the Bank of Canada have floated down, but I think it is important to remember that it is what the consumer and the small businessman pays that really counts. As the Minister of Finance will know, the consumer is paying for his car at over 16 per cent. The small businessman is frequently paying even more than that, depending on his credit rating, on a demand loan. That is the rate that matters to the Canadian people. It is not the treasury bill rate or even the rate that is charged by the Bank of Canada that is the effective interest rate. The effective interest rate, the one that matters and the one over which this government has no control because they have rejected the very idea that they should be investigating them, is the rate which goes to the consumer, the rate which goes to the person who is buying a house or a car. That is the rate which matters.

● (1720)

Tax increases are being considered in order to reduce the deficit. It is quite the contrary of stimulus, quite the contrary of the position which the Minister of Industry, Trade and Commerce (Mr. Gray) took when he was in the opposition. I am so sorry that today he is not participating in this debate because it would have been a delight to hear from the minister how he feels about the policies which are now being followed by the Liberal government. He has been notoriously silent on these issues. He promised us he would resign when the rates went up. He then found it in himself to change his mind. I am sure he has changed his mind on many other things too.

The minister has rejected stimulus and, if I understood him correctly today, he has rejected it again, although he now admits that the growth forecast of 0.5 per cent for 1980 is too optimistic. It is too optimistic when we know that real income is falling and fell in 1979; when we know that more and more Canadians—over one million Canadians—are out of work; when we know that sales are down, that retail sales are falling dramatically in Canada just as they are in the United States; when we know that capacity-utilization is dramatically down to 80 per cent in some industries and down to nearly 65 per cent in the construction industry; when we know that inventories are up, and we are, in short, in a recession.

There is an economic consensus which has developed, and the minister has referred to it. He finds comfort in numbers. Indeed, in the 1930s his predecessors found the same comfort in the same numbers. All the great geniuses who were in power in the 1930s were of the same mind; they had the same point of view. They went to conferences and agreed that there was nothing they could do. There is no tremendous difference now. We find there are conferences, that Margaret Thatcher agrees with the Prime Minister (Mr. Trudeau) about what economic policies should be followed and that the Prime Minister agrees with Margaret Thatcher. The minister may find some comfort in the fact that Sir Geoffrey Howe, Chancellor of the Exchequer in England, is in agreement on what the economic policies should be. He may find some comfort in that as the inflation rate in Britain goes up to 20 per cent and as unemployment reaches the highest point since 1948. That may be the recipe which the minister wants to provide for the Canadian people. But I do not think there is any comfort to the Canadian people in that consensus of economic Liberal conservatism, or Conservative liberalism, whatever one wants to call it.

That consensus has basically five elements to it. The first element, and we are applying it to Canadian conditions, is that government's borrowing—in short, budgetary deficits—is already too high and causes inflation. I think that that is the first assumption which I would categorize as a mythological assumption. The assumption is that the way to reduce the budgetary deficit and the borrowing is by raising taxes, which is why the minister and many of his colleagues have been referring to it in the various interviews which they give from time to time—which is the only way we have of discovering what their policy is. In fact, one can say that the minister has raised inaction and lethargy to art forms in terms of his economic statements and policy.

The second assumption is that the budgetary deficit, the borrowing problem, is the real problem and that the current account deficit is secondary to that.

The third assumption is that tight monetary and fiscal policies are the best way to fight inflation.

The fourth assumption, stated by governor Bouey a couple of weeks ago in the Senate, is that unemployment is not as serious as it used to be and is not a major problem to those people who are out of work.

The fifth assumption, which the minister stated beautifully here today, is that there is really nothing he can do and that in fact, faced with a party like this one which is preaching economic ruin and catastrophe, which would cause dramatic inflation and a decline of the western world, the Liberal policy of inaction makes perfect sense, and that is the policy which the minister has put before us.

Let me state briefly the five central myths of policy which the minister recited here today. The first is, I think, the essential one about the size of the deficit. Whether a deficit is stimulative or not depends on what is going on in the rest of the economy and, in the case of the Canadian economy, depends on what the provinces are doing. The minister said that we did not talk about the provinces.

Well, I quite agree with the concern which he expressed and I nodded agreement to it when he said the federal government should be providing for its own revenues and should be concerned about its revenue base in its negotiations with the oil producing provinces. Of course, we agree with that, that is the central problem. In fact, it is one of the reasons why public ownership in the energy field is so crucial. But whether a deficit is stimulative or not at the federal level depends on what is happening at the provincial level. So it is quite artificial to refer to federal deficits of $13 billion, $14 billion or $15 billion, when we know at the same time that projected revenues in some of the provinces are such that they will be running substantial surpluses.

What is important is the net effect of all levels of government spending on the whole of the economy. I think most economists would agree that the net effect of all deficits and all borrowing by provincial, municipal and federal governments has not contributed to Canada's inflation, is not inflationary at present, and in fact all the figures indicate that aggregate demand is down.

When we talk about aggregate demand, the hon. member for St. John's West asks what we are talking about. We are talking about whether or not the individual in the street has enough money to buy a car, and we know that his real disposable income is falling and that what he is paying for the car is more. So a basic and fundamental point which has to be brought out is, what is the net effect of all borrowing and is it inflationary? I do not know of one economist whom I would respect, not necessarily one who would be a member of my party, who honestly thinks that the net effect of federal policies at the moment is inflationary. It is not inflationary. It is designed, according to the minister and according to governor Bouey, to restrict aggregate demand, to cause unemployment. That is what the word means. It means you will force people out of work.

The second myth is that a budgetary deficit is more serious than a current account deficit. It is a simple thing. The budgetary deficit or borrowing is what the Canadian government borrows, from its own citizens in most cases. The current account deficit is the deficit which we run in all our economic relations with the rest of the world. An interesting fact which is not widely known is that since 1947 Canada has spent over $48 billion in interest payments and dividends out of the country. In the last year, the deficit on interest rates and dividends was $9 billion. This is what makes us poor as a nation. It is tied up with the foreign ownership question; it is tied up with our unwillingness as a nation to borrow from ourselves in order to invest in our own country. In my view and in the view of our party, you cannot solve the current account problem without temporarily increasing the budgetary deficit.

There was an exchange the other day between my leader and the Prime Minister about the new oil projects in the west and in the east. Where is all this money going to go? The fact of the matter is that every time we allow Exxon, Mobil Oil or Shell Oil to take over these projects—and that is really what we are doing—every time we increase the price of oil and

natural gas, we are ensuring that revenue flows out of the country. We might as well pour it right across the border. I say to the minister that if he thinks he can solve the conundrum of pricing and revenue sharing without public ownership, he is sadly mistaken, because you cannot ask the Canadian public to accept the unfairness of these dramatic increases in the price of oil and gas when they know it is going to maximize the profits of foreign, multinational corporations. That is precisely what we are being asked to do.

The third myth is that tight monetary policies are an effective way to fight inflation. We have had five years of monetarism, five years of the highest inflation we have ever had. We have had five years of monetary restraint from the Bank of Canada, and we have had five years of the worst inflation in our history. The fact is that aggregate demand can fall, and has been falling. That is why unemployment has gone so far up. We can still have inflation and we are going to have even more inflation, as the minister is telling us.

• (1730)

I do not know what kind of discussions took place in Venice, but I would like to have been a fly on the wall. Did they discuss the fact that for five, six or a number of years we have been following policies of very tight restraint and yet we have still had inflation? Did they discuss that in Venice? Did they try to figure that out?

An hon. Member: They talked about oil.

Mr. Rae: They referred to oil and that is a very good example, but there are others. Demand has been falling dramatically in the auto industry. They are producing 20 per cent to 30 per cent fewer cars. Has the price of cars gone down? I suggest it has not dramatically. They have occasionally offered rebates in the United States, but not in Canada. Has the pricing or market mechanism worked? I suggest it has not. The nature of our economy is changing dramatically, and the way in which we deal with it is totally inadequate.

People are walking around on that side of the House and in the Tory party with a picture in their heads which would indicate the economy is like some kind of a bazaar at which consumers and producers compete, and at which the pricing mechanism plays some kind of a role in allocating resources. The hard fact of the matter is that these decisions are made by people in powerful positions who can administer prices. Until we deal with that problem in our increasingly concentrated economy where businesses eat businesses alive, we will not solve the problem of inflation.

I would like to know how restricting supply helps to fight inflation. How does capacity-utilization at 80 per cent help fight inflation? What this means is that supply will be down and demand will be down too. I would like the minister to explain how that is going to help fight inflation. It will not have that effect, it will have the reverse effect, just as high interest rates have the reverse effect.

The Acting Speaker (Mr. Ethier): Order please. I regret to interrupt the hon. member but his allotted time has expired. Nevertheless, he might continue if there is unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Rae: I appreciate the indulgence of the House, Mr. Speaker, and I will take one minute more to talk about the last few points.

Unemployment is not as serious as it used to be; that is a statement made the other day in committee by governor Bouey. I wish governor Bouey would come into my office, and I am sure the offices of my colleagues here today, indeed the office of any member of Parliament, on a Friday night, a Saturday or a Sunday to see the tragedies and the lost hope of people who are 50 or 55 years old and cannot find work, of people coming out of university who cannot find work, and then say in all seriousness that unemployment is not as serious as it used to be. That point of view belongs to those people who have never faced or have had to face the difficult reality that unemployment is in human terms—houses lost, dreams shattered, homes divided and divorce. Send governor Bouey to Windsor and tell him to go to the people of Windsor and say unemployment is not as serious as it used to be. It is a disgrace that someone who is running the economic policies of this country has that point of view.

Finally we have the weatherman's point of view as expressed beautifully by the minister today. The weatherman's point of view is that "there is really nothing we can do; I am only the forecaster and my forecast may have been wrong. I may have been a couple of percentage points out. I am coming back and telling you I thought there would be .5 per cent growth, but I am sorry the weather maps have changed, the storms in the United States are much stronger so you better batten down your hatches."

We do not elect governments to be weathermen; we elect governments to give leadership, to show compassion and strength, to say to the Canadian people that there is something we can do about our economy because we can take control of our economy; to say to the Canadian people there is hope and there is light because there is leadership. Of all the pathos that has been expressed today, nothing has been more pathetic than the statement of the Minister of Finance that there is nothing he can do. That is a statement of intellectual bankruptcy which we in this party are not yet prepared to declare on behalf of our country and on behalf of our party.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would like to say a few words today during this debate on the motion put forward by the New Democratic Party because there are some basic fallacies in their economic reasoning, to say the least; as well, there are some basic flaws in the facts they put forward to this House today that deserve to be brought before the public eye.

First of all I should like to refer to the plan put forward by the leader of the New Democratic Party for the economic prosperity and health of this country. That plan, as put forward earlier in this debate, would result in tax cuts, increased expenditures and new programs by the federal government, and finally in regulating interest rates substantially below the market level or the level that would be determined in the market place.

If I could I would like to analyse what the likely effects of this kind of program would be in this day and age and in today's economic situation. First of all with regard to the tax cuts and the increased expenditures, all objective observers—all observers—would indicate that this would lead directly to two things. First, it would lead to an increase in the rate of inflation in this country, the rate of inflation being what all surveys indicate is the number one concern of the Canadian public. Secondly, it would lead to a drop in the value of the Canadian dollar which would, in turn, lead to further pressure on the inflation rate. This would put extreme pressure on Canadian capital markets, particularly if the federal government were to go into the capital market with greater strength, borrowing additional funds.

That could be resolved in one of two ways. The Canadian government could borrow more externally in foreign countries, something about which the NDP rails continuously. That is one alternative. The second alternative is for the federal government to turn the Bank of Canada loose to print more money. This would increase the money supply and the growth rate, but would again exacerbate the rate of inflation.

At the same time as this scenario is taking place, the NDP would want us to hold interest rates below the market level. Any student of elementary economics understands what the interest rate is. The interest rate is the price charged for money loaned by individuals. It is the price paid by individuals who borrow.

The other half of the scenario the NDP do not seem to realize is that when you lower interest rates to help borrowers you also lower interest rates at the expense of savers. In this country we have an exceptionally high savings rate, somewhere in the range of 10 per cent of our disposable income. If you lower the interest rate to a point below the inflation rate, individuals will stop saving. They will slow their savings down dramatically because they know the money they save today will be worth less tomorrow, and as a result they will be able to buy less when those savings come back to them. We have a reduction in saving at the same time as we have an increase in borrowing and we wind up in the consumer markets with increased inflationary pressures.

The effect of all of this, and the effect of the NDP program, would be reduced interest rates leading to an increase in borrowing demand, at the same time as we have a reduced amount of funds savers would be willing to make available to the Canadian government and borrowers in the marketplace. In addition, the effects of increased expenditures and reduced taxes would be inflationary pressure.

Interest rates are related to inflation. Obviously individuals wish to get a rate of return that is real—in other words, one that is higher than the rate of inflation. As inflation increases, the pressure on interest rates is upwards. If the NDP program were adopted, the government would be forced to maintain interest rates below the level the market dictates. As a result we would have a never-ending vicious cycle of either increased government borrowing to finance that additional borrowing which the private sector will not accommodate, or an increase in the money supply by the Bank of Canada. You would then have a non-ending vicious cycle which fuels inflation, and a runaway situation would result. That is what the NDP program would lead to.

The effect of that program, then, is total fiscal and monetary irresponsibility. It is the commitment of this government to restore to this country some stability to our economic system which will allow the business community, the investors, to invest and become the creators of jobs in the future, making our lives better through a more productive economy.

● (1740)

Clearly, the program put forward by the NDP at the beginning of this debate indicates that they do not understand, and I believe that they never have understood, the fundamental economic facts of life. The NDP makes large of the figures of deficits as percentages of GNPs of western countries. Again, the leader of the NDP was totally wrong. Throughout this debate we have heard heckling from the other side: "What about Germany and Helmut Schmidt?" We were told that Germany's deficit as a percentage of the gross national product was much higher than Canada's percentage. In fact, the situation is just the opposite.

Not only does the NDP not understand economics, but they do not even understand figures. According to the figures of the international monetary fund, Germany's deficit as a percentage of its GNP has been between 1.5 per cent and 2 per cent over the past three years. Our rate is between 4 per cent and 4.5 per cent of the GNP over the past three years. Germany's total debt as a percentage of its GNP is between 13 per cent and 15 per cent. In Canada the rate is between 21 per cent and 22 per cent of the GNP. Therefore, not only is the theory which is being put forward by the members of the NDP wrong, by their facts are wrong as well.

Again, with regard to the control of interest rates we on this side believe that the marketplace is the best arbiter of interest rates. It is the way in which interest rates are best set in this country. The best way to determine interest rates is not to have them set by bureaucratic decree. Such a situation, of course, requires strong and effective competition. The new Bank Act is before the Standing Committee on Finance, Trade and Economic Affairs right now. Within it are provisions to help stimulate competition in our financial markets, which will result in more efficient competition.

One such way the act will help stimulate competition is by allowing the entry of foreign banks into this country on a limited basis. This will provide additional access to funds for

Canadian small and medium-sized enterprises. The NDP opposes that policy. There is also means within the act to provide for the easier entry of banks into the banking system. Once again, the NDP opposes that policy. The NDP would like to have the government take control of the banking system and run it in a bureaucratic fashion. I suggest that is totally wrong.

In addition, the government has promised to bring forward in the fall or during the next session a new savings, trust and loans act to allow other institutions to enter the field. This will expand the activities of these institutions and bring more competition to bear on the banks, thereby providing a more competitive market.

The government has tabled amendments which go very far toward meeting all the reasonable arguments that have been put forward with regard to the Bank Act. I will be very interested in the future committee meetings to see whether in fact, considering that the government has brought forward these amendments, there will be a change of heart on the other side of the House and whether the Bank Act will be brought forward post haste and passed without further delay.

Over the past few weeks the NDP have railed time and again against chartered banks. I will not apologize for the chartered banks. I would welcome from the NDP one shred of hard, objective information which indicates that they are right. They do not have that information. They rail but they do not give the evidence. They cast innuendoes and aspersions on the chartered banking system. If what they say is true, then let us see the hard evidence and the analysis.

The NDP talks about the difference between the bank rate or the discount rate in the United States and in Canada. The fact is that in the United States right now the federal reserve discount rate is 6.5 per cent and the bank prime rate is between 12 per cent and 12.5 per cent. Canada's prime rate is 10.5 per cent and our bank prime rate is between 13.25 per cent and 13.5 per cent. The spread is much lower in Canada.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. It being 5.45 p.m., it is my duty to interrupt the debate and put forthwith every question necessary to dispose of the proceedings now before the House in accordance with Standing Order 58(9).

[*English*]

Therefore, the question is on the amendment (Mr. Clark). All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the amendment (Mr. Clark), which was negatived on the following division:

● (1750)

(Division No. 10)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Broadbent
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt
Crosbie (St. John's West)
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Fraser
Fretz
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
King
Knowles
Korchinski
Lambert
La Salle
Lewycky
Manly
Mayer
McCuish
McDermid
McKenzie
McKinnon
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Nickerson
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wise
Yurko—88.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guay
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Laniel
Lapierre
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lonsdale

Messrs.

Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—128.

● (1810)

Madam Speaker: I declare the amendment lost.

The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The House divided on the motion (Mr. Broadbent), which was negatived on the following division:

(*Division No. 11*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Broadbent
Cardiff
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cooper
Corbett
Cossitt
Crosbie
(St. John's West)
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Fraser
Fretz
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
King
Knowles
Korchinski
Lambert
La Salle
Lewycky
Manly
Mayer
McCuish
McDermid
McKenzie
McKinnon
McLean
McMillan
Miller
Mitchell
(Mrs.)
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Murta
Nickerson
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid
(St. Catharines)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wise
Yurko—88.

NAYS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guay
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Laniel
Lapierre
Lapointe
(Beauce)
Leduc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—128.

● (1820)

[*Translation*]

Madam Speaker: I declare the motion lost.

It being 6.20 p.m., the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

At 6.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 26, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ROYAL CANADIAN MOUNTED POLICE

CORPORAL JAMES WOOD—RIGHT TO COUNSEL—MOTION UNDER S.O. 43

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, most hon. members no doubt recall the announcement by the Hon. Don Jamieson a couple of years ago of the biggest expulsion of Soviet spies in the most significant espionage case revealed since the Igor Gouzenko affair after the war.

What most hon. members do not know is that the key figure involved, an RCMP agent, has been refused the right to have his own independent counsel, with no expense to himself, when testifying about matters which he considers important before the McDonald commission. I therefore move, seconded by the hon. member for Halton (Mr. Jelinek):

That the Solicitor General arrange immediately to provide Corporal James Wood with counsel of his choice in the same way as ministers of the Crown or, for example, the RCMP agent Warren Hart, were provided with counsel paid for by the government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS SUBSTANCES

INSPECTION OF CONTAINERS—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise under the provisions of Standing Order 43. On Friday, June 20, 1980, at Toronto international airport, a spill of radioactive uranium dust was found in the hold of Air Canada flight 108 from Saskatoon, which was carrying 118 passengers. The dust was being shipped to France by Amok Limited of Saskatoon, a French-owned mining company.

In view of the enviable safety record of our airline, and in order to avert the possibility of future disasters such as that which occurred at Mississauga, Ontario, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That a complete inspection system of containers carrying hazardous goods such as radioactive material, toxic isotopes, etc., be implemented immediately.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

CONTROLS AGAINST ACID RAIN-CAUSING EMISSIONS—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Given the fact that the United States Senate has passed a bill requiring 80 oil-fired power plants in the northeastern United States to convert to coal, and given the fact that the United States Senate has refused to ensure that these power plants will reduce or at least maintain current levels of acid rain-causing emissions, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That the Canadian government send the strongest diplomatic protest possible to the Carter Administration stating that this move, without tough environmental controls limiting the amount of acid rain-causing emissions, is an unprecedented threat to the total Canadian environment and is completely and totally unacceptable to this country.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

CONDEMNATION OF INVASION OF THAILAND BY VIETNAM—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, under the provisions of Standing Order 43 I seek the unanimous consent of the House to present a motion of urgent and pressing necessity.

S.O. 43

In view of the danger that the invasion of Thailand by Vietnamese forces operating out of Kampuchea could all too easily escalate into a major regional conflict, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House express its outrage at the Vietnamese invasion of an independent neighbour, Thailand, inflicting heavy loss of life on the refugees being sheltered in that country, condemns the Soviet Union for its continued support of the Vietnamese forces in Kampuchea, and urges the Secretary of State for External Affairs to convey Canada's deep concern to the ministers gathering in Malaysia for the ASEAN meeting later this week.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

ENVIRONMENTAL AFFAIRS

ACID RAIN—POLLUTION FROM U.S. SOURCES—MOTION UNDER S.O. 43

Mr. Chas. L. Caccia (Davenport): Madam Speaker, I also rise on a matter of urgent and pressing necessity in connection with a proposal for which there may be a favourable attitude in this House. It has to do with the decision made yesterday by the United States Senate approving a bill requiring 80 power plants in the northeastern United States to shift from oil to coal, with the resulting considerable increase in acid rainfall. I move, therefore, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the Minister of State for the Environment renew his efforts in putting pressure on the U.S. government so as to prevent the implementation of this project which will seriously damage the environment north and south of the border.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN PIPELINES

CONSTRUCTION OF ALASKA HIGHWAY NATURAL GAS PIPELINE—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, Canada is importing $3 billion to $4 billion worth of oil and $1 billion worth of coal per year. Canada's unemployment rate is rising rapidly, and its balance of payments is rapidly deteriorating.

The pre-build section of the Alaska highway gas pipeline will provide 150,000 man-years of employment, a favourable balance of payments of $1 billion per year, and investment in Canada of $1.6 billion with $360 million in Ontario and Quebec. Therefore, under Standing Order 43, I move, seconded by the hon. member for Hastings-Frontenac (Mr. Vankoughnet):

That the federal government immediately approve all Canadian aspects of the pre-build Alaska highway gas pipeline while concurrently continuing negotiations with the United States of America for guarantees in regard to construction of the northern and Alaska sections of the gas line.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HISTORIC SITES

RIGHT HON. J. G. DIEFENBAKER—DESIGNATION OF RESIDENCES—STATUE ON PARLIAMENT HILL—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise pursuant to the provisions of Standing Order 43. If Canadians are to understand and take pride in our country, we must learn to preserve and honour our history and the spirit that made this land.

In view of the fact that the historic sites branch of Parks Canada has postponed any decision about what is to become of the Right Hon. John Diefenbaker's home in Rockcliffe or whether or not to give official recognition to his birthplace in Neustadt, Ontario, and given the fact that as each day passes the possibility of saving these homes for future generations becomes more remote. I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this House instructs the Minister of the Environment: (1) to take immediate action on establishing both the Diefenbaker birthplace in Neustadt and his residence in Ottawa as national historic sites; and (2) to have a statue of the late Prime Minister commissioned and erected upon Parliament Hill.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HUMAN RIGHTS

PARLIAMENTARY MISSION TO INVESTIGATE VIOLATIONS IN CENTRAL AMERICA—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Yesterday, the Associated Press carried a story on the statement by a group of 40 catholic priests in El Salvador documenting the massacre there in May of 600 peasants by

Salvadoran troops and members of a far right paramilitary organization. About the same time, some of us in this House were being briefed by a delegation from the Guatemalan Democratic Front Against Repression about gross violations of human rights in their country.

In view of the extreme violence and repression which has become a fact of daily life in El Salvador and Guatemala, and the urgent representations of the Guatemalan Democratic Front to members of this House, and taking into account the hopeful revolution in Nicaragua against this spiral of violence, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Government of Canada give serious consideration to establishing a parliamentary fact-finding mission to go to Central America in the near future to investigate conditions there first-hand, so that the report of such a group can provide a better basis for reviewing and renewing our aid and other bilateral relations with the countries of this region.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

AGRICULTURE

HEALTH HAZARD OF 2, 4-D TO FARMERS AND FAMILIES—MOTION UNDER S.O. 43

Mr. Jim Schroder (Guelph): Madam Speaker, I rise under the provisions of Standing Order 43. In view of an article in today's Ottawa *Citizen* which indicates that the herbicide 2, 4-D may pose a health hazard to farmers and their families, I move, seconded by the hon. member for Lambton-Middlesex (Mr. Ferguson):

That the Minister of Agriculture immediately look into this problem and assure the people of Canada about the dangers which may be inherent in the use of this herbicide.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

GOVERNMENT'S INDUSTRIAL STRATEGY ON RUBBER INDUSTRY—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In light of Canada's depressed rubber industry, the resulting unemployment as illustrated by the termination of 650 workers at Firestone in Whitby, the lay-off of 55 at General Tire in Barrie, and the possible ultimate lay-off of up to 2,000 at Goodrich and Uniroyal in Kitchener-Waterloo, and in light of the commitment made several years ago by the Liberal government to prepare an industrial strategy, on a sectoral basis, which certainly now must be completed, I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That in order that this House and Canadians may understand the government's position regarding the manufacture and distribution of new tires, the Minister of Industry, Trade and Commerce make a statement on motions regarding the Liberal government's industrial strategy as it relates to production and employment in the rubber industry.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

APPOINTMENT OF SPECIAL ADVISER ON DEFENCE—ROLE OF MINISTER

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. The Prime Minister recently appointed a very senior serving officer as his special adviser on defence matters.

Disregarding the crushing insult this lack of confidence in the advice of the minister indicates, can the minister explain if he will have any way of discovering what matters are discussed and what decisions are taken in defence matters between the Prime Minister and his new special adviser on defence?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, if I understand the question put by the hon. member and if I am not mistaken, I am being asked whether the Prime Minister has appointed a defence expert to advise him about defence problems. I think that the Prime Minister's office, even under previous governments, has always had advisers who acted as liaison between the Department of National Defence and the PMO in special cases and when foreign governments were involved. So I do not feel there is anything unusual about the fact that there is someone in the Prime Minister's office who can advise him and the Minister of National Defence.

[*English*]

Mr. McKinnon: Madam Speaker, the minister indicates a little uncertainty as to the location of this special adviser. Could the minister advise the House if our NATO allies were apprized of the apparent fact that their new chairman of the military committee will be attempting to serve two masters,

Dr. Luns of NATO and the Prime Minister of Canada, at the same time and as well will have the most basic conflict of interest imaginable?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I think we have to clear up the matter in this case. The appointment of the chairman of the military committee of NATO was recommended by the Prime Minister's office on the suggestion of the minister and the Department of National Defence. I think that Admiral Falls who is now chairman is a very lucky man and we are also lucky to have such a man to represent us at NATO. For the first time, Madam Speaker, it is a Canadian.

[*English*]

Mr. McKinnon: I wonder if the minister can tell us approximately how many hours each week this senior, distinguished officer will work in his role as special adviser to the Prime Minister, what advice it is that Admiral Falls can provide which collectively neither the minister, the present Chief of the Defence Staff, nor other senior officers can offer; and, finally, what is his annual salary as an adviser, which we presume will be in addition to his military salary or pension?

• (1420)

[*Translation*]

Mr. Lamontagne: Madam Speaker, I do not see what benefit the hon. member opposite expects to gain by criticizing such an eminent man as Admiral Falls who serves with dignity the interests of Canadians within NATO. I can say that Admiral Falls is available to NATO 24 hours a day, and that whatever the needs and information may be, he is there to defend our interests 24 hours a day.

[*English*]

BIDS ON FRIGATE PROGRAM

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, on June 13 the Minister of National Defence may have contradicted, by press release, his pledge of fairness in dealing made in committee. I should like to ask him whether he considers he has contradicted his pledge of fairness by arbitrarily excluding two of five consortia from making a second bid on the $3.2 billion frigate program.

Can the minister clarify this situation, particularly in view of the almost defenceless position of our navy which was so graphically illustrated in the recent exercise in the Bay of Biscay, and the obvious need to strengthen our navy as soon as possible?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Apparently, Madam Speaker, today is my day. In reply to the hon. member, may I suggest that he direct his question to the Minister of Supply and Services whose officials are dealing with the main parties involved in the frigate program.

[*English*]

Mr. MacKay: Madam Speaker, I thank the minister for his answer and I will ask him this question; or perhaps the Minister of Supply and Services might care to answer it.

As I understand it, this vital program is approximately 18 months behind schedule. Since it appears that the government has broken its own rules as stated in the "Request for proposals" which indicated that proposals received after 1200 EST on November 30, 1978, would be rejected, is there any indication that legal action will be taken by those who have been discriminated against? Further, can the minister explain or justify this extra delay in a program which seems to have slipped another 18 months today?

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I should like to say that there has been no discrimination. Both corporations had sent in tenders which have been turned down in the normal way, because their respective tenders did not meet the requirements of the call for tenders. We have asked the other three corporations who had submitted tenders to "correct", so to speak, their tenders to meet the Canadian content requirement in the three tenders and the Canadian capacity in a new technology, and I am sure the hon. member supports this policy put forward by this side of the House.

* * *

[*English*]

INDUSTRY

TERMS OF LOAN TO VALLEYFIELD CHEMICAL PRODUCTS CORPORATION—INVESTIGATION OF SPACE RESEARCH CORPORATION

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce concerning capital assistance grants and loans currently being given to Valleyfield Chemical Products Corporation, a wholly-owned subsidiary of Space Research Corporation.

Was the Department of Industry, Trade and Commerce not aware of the RCMP investigation into Space Research Corporation's activities in illegally shipping arms to South Africa at the time it made its $5.3 million loan and its $3 million grant to SRC's Valleyfield operation? Can the minister tell us, further, whether the loan is still outstanding and whether the grant has been terminated?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I will get the information for the hon. lady and inform her as soon as possible.

Miss Jewett: Madam Speaker, I have been giving notice of this question in one way or another for the last week, and I am shocked that the minister is not aware of the grants and loans

which have been given to SRC by his own department. I take it, then, he also has no knowledge of the—

Madam Speaker: Order. Ask the question, please.

Miss Jewett: I am asking it.

Some hon. Members: Oh!

Miss Jewett: I take it, then, that the minister has no knowledge of the $1 million grant which was also given by the Department of Regional Economic Expansion.

Mr. Gray: No, I do not, Madam Speaker.

* * *

NATIONAL DEFENCE

SPECIAL ADVISER ON DEFENCE—REASON ADMIRAL FALLS APPOINTED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of National Defence and it flows from the answers he gave to my hon. friend from Victoria.

● (1425)

Will the Minister of National Defence tell us the exact circumstances under which Admiral Falls was named as a special adviser on defence matters to the Prime Minister of Canada? Will he tell the House of Commons the terms of reference, or are we to believe—as the minister's earlier answer suggested—that the Minister of National Defence did not know that Admiral Falls had been appointed by the Prime Minister as a special adviser on defence?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, if I am well informed, the appointment of Admiral Falls as chairman of the NATO military committee was suggested when the Liberal government was in power and later during the nine months of Progressive Conservative administration. At that time no decision whatsoever was taken by the Progressive Conservatives, including no decision against that move. We approved Admiral Falls' appointment when we were expected to staff that position on June 1.

[*English*]

Mr. Clark: Madam Speaker, what is painfully evident here is that the Prime Minister of Canada has nominated a serving military officer, Admiral Falls as a special adviser on defence to the Prime Minister, and he has not told the Minister of National Defence. That is what is evident here. We have been putting questions to the minister asking why that appointment was made. He has been answering in relation to the appointment to NATO, not to the Prime Minister's office, and my question is why—

Madam Speaker: Order, please. I am sorry, but I have to ask the right hon. Leader of the Opposition to put his question, too.

Mr. Clark: You will understand, Madam Speaker, how startled we are to find this minister did not know about the appointment.

An hon. Member: You are stunned.

Mr. Clark: My question to the minister is twofold. First, when was the minister first advised of the appointment of Admiral Falls as a special adviser on defence matters to the Prime Minister of Canada? Second, what are the terms of reference of Admiral Falls, and how do his duties relate to those of the minister?

In my government, it was the minister who was responsible for defence policy, and when there were appointments made in the domain of national defence, the minister was at least advised: the minister knew. What is shocking here is that the minister apparently does not know.

Mr. Lamontagne: Madam Speaker, in our government, defence policy is not only the responsibility of the Minister of National Defence: it is a collective responsibility of the whole cabinet, the Prime Minister as well as the minister.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Let's pray for the country.

Mr. Lamontagne: When the nomination of Admiral Falls as president of the military committee of NATO was made by the Prime Minister, I had a talk with him, and it was understood that Admiral Falls was, of course, an adviser to the Prime Minister and an adviser to the Minister of National Defence on all defence matters.

Mr. Clark: Madam Speaker, there has been a formal order in council passed designating Admiral Falls to a special advisory—

Madam Speaker: Order, please. I ask the right hon. Leader of the Opposition to ask his question.

Mr. Clark: Madam Speaker, in light of the fact that there has been an order in council passed appointing Admiral Falls, not to NATO but as a special adviser to the Prime Minister of Canada on defence matters—a new appointment and an appointment without precedent—will the Minister of National Defence tell us when he was first advised, if he was advised at all, and what are the terms of reference on this appointment?

[*Translation*]

Mr. Lamontagne: Madam Speaker, the former prime minister should know that all ministers are informed when an order in council is issued by cabinet. I knew at the time that Admiral Falls was going to be appointed and although this did happen while I was away the procedure is not unusual.

[*English*]

Madam Speaker: Order, please. I believe I should have allowed a third question to the hon. member for New Westminster-Coquitlam. I apologize to her and I will allow that question now. I suppose I must have become flustered by the fact that the right hon. Leader of the Opposition was rising at a time when I was not expecting it.

* * *

INDUSTRY

SPACE RESEARCH CORPORATION—POSSIBLE PURCHASE BY GOVERNMENT

Miss Pauline Jewett (New Westminster-Coquitlam): Thank you very much, Madam Speaker. My third question is also for the Minister of Industry, Trade and Commerce.

In view of the fact that the government is seriously considering buying part or all of Space Research Corporation—and, indeed, is discussing it today, I believe—would the minister be good enough to tell the House whether he thinks that the Valleyfield Chemical operation will likely be part of the SRC that is purchased?

• (1430)

Will he also give us some assurance that until the RCMP report is made public and charges are laid, there will not be any further grants or loans to SRC or its fully-owned subsidiary?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the question as to whether Valleyfield will be part of a purchase of Space Research by the government is just one of the aspects of this matter that we are still considering and on which we still have to reach a decision.

With respect to the second part of the question, I think the Minister of Justice said in the House the other day that it is not part of the practice of law enforcement activities in Canada for police reports to be made public, certainly not before decisions are taken with respect to the laying of charges. Certainly, until the matter is resolved by the courts one cannot presume that the parties will be ineligible for further assistance based on economic development aspects.

* * *

NATIONAL DEFENCE

ESTABLISHMENT OF ANTI-TERRORIST SQUAD

Mr. Bill Kempling (Burlington): Madam Speaker, my question is for the Minister of National Defence. On May 6, this House unanimously accepted a motion congratulating the British government and its Special Air Service commandos on the successful rescue operation of hostages from the Iranian embassy in London.

Given that Mr. Danson, the minister's predecessor, announced on November 7, 1977, that the cabinet had just approved the creation of a Canadian anti-terrorist squad, would the minister report what progress his government has made in its efforts to create such a group?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Unfortunately, Madam Speaker, I do not have any precise details on that particular unit of the armed forces. However, I will inquire on the state of the matter and be sure to convey that information to the hon. member.

[*English*]

Mr. Kempling: Perhaps the minister should ask Admiral Falls. Will the minister confirm that the special service force at Petawawa has neither specific orders nor any of the specialized equipment necessary to train for this important task, that Canada has not such unit which can compare with the "Pagoda" units of the British forces, and that if hostage incidents should occur in this country our forces would be sadly unprepared?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I cannot deny or confirm the existence of such a specialized unit, but I can say that whatever events may occur in Canada, the armed forces are ready to face the situation.

[*English*]

REPORTED TECHNICAL PROBLEMS WITH F-18 FIGHTER AIRCRAFT—COST OF POSSIBLE REDESIGN

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is also directed to the Minister of National Defence. There have been distressing reports that the whole wing of the F-18 fighter aircraft which Canada is committed to buy may have to be redesigned because of technical problems in meeting the specifications laid down by the U.S. navy.

Will the minister tell the House if a proportion of the extra design or development cost of this work will have to be paid for by Canada over and above the some $4 billion we have already agreed to pay?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): I feel, Madam Speaker, that perhaps the hon. member should not believe everything he sees in the media or magazines. There are conflicting opinions concerning those matters. I can say that I had a discussion with the Minister of Supply and Services who recently spent three days in St. Louis where the F-18 is being manufactured. The minister came back with the unquestionable assurance that McDonnell Douglas will satisfy all contract conditions.

[*English*]

Mr. Hnatyshyn: Madam Speaker, I have a brief supplementary question for the minister. Can the minister tell the House if it is true that the F-18 is now up to two years behind schedule on the critical milestone for production go-ahead, and that it is now planned that the United States Defence Systems Acquisitions Review Council will not give that clearance until some time in the spring of 1982?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I am not aware of any delays in the manufacture or delivery of the F-18 aircraft. I want to assure the hon. member that I will personally go to the United States at an early date to check it out. I repeat once again that the Minister of Supply and Services has spent three days there and that our information is that everything is going according to schedule. Whatever the circumstances, we have a contract which is quite firm and the terms and conditions will be met.

* * *

[*English*]

AGRICULTURE

DROUGHT IN WEST—ASSISTANCE IN CREDIT SITUATION OF FARMERS

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my question is directed to the Minister of Agriculture. There are measures, we believe, which would be available to the government to lessen the impact of the drought on prairie farmers.

Farmers have been approaching me because the banks are threatening foreclosure action. Furthermore, farmers are saying it would alleviate their situation somewhat if currently insured crops could be written off now and used for green feed. Could the minister please inform the House of the plans he might have for alleviating the drought-stricken farmers' credit situation, and whether the minister could discuss with provincial officials some leniency with regard to crop write-offs?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member is aware that the provinces administer crop insurance under the crop insurance agreements we have with them. Producers and farmers pay half the premiums and the federal government pays the other half of the premium, which this year will cost us about $90 million. The reinsurance program, if the weather stays the way it has been, can cost the federal government in total well over $500 million in payments to farmers.

Some of the crop insurance people at present are making the kinds of arrangements to which the hon. member has referred, evaluating the crops and letting the farmers harvest them for green feed, which we think is the proper thing to do. That kind of product can be salvaged to be used later in the year or it can be used at present.

I want to add the following to what the minister of agriculture from Manitoba has said in proposing to us a green feed program which he is going to institute and in which he wants us to participate. I think it is a very good program under which farmers will be paid $15 an acre to seed. I hope there will be enough moisture so that they can harvest more green feed in the areas of need. Some of the suggestions have been very good and positive, in my view, with a view to maintaining the livestock industry in that area.

With regard to interest rates, so far as we have anything to do with the Farm Credit Corporation we have said there should be no demand for payment from those farmers who are hit in a hard way.

Some hon. Members: Order.

Mr. Whelan: Madam Speaker, members of the official opposition have decided not to ask me any questions on drought today, so I am happy that the hon. member has done so.

Some hon. Members: Hear, hear!

RIDING MOUNTAIN NATIONAL PARK—AVAILABILITY OF FEED HAY

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my supplementary question is directed to the Minister of the Environment. I am receiving daily representations by way of resolutions, telephone calls and telegrams from western constituents. This week, for example, the northern district of the Union of Manitoba Municipalities passed a resolution requesting that the federal government permit farmers to enter the Riding National Park to secure the feed hay which is available in the park.

Considering the fact that farmers have been previously able to do this, and notwithstanding the minister's response in the House yesterday but recognizing the emergency situation, I should like to ask the Minister of the Environment to tell the House what plans he has to open up the parks, and will he consider the fact that farmers need to be allowed haying operations to help sustain cattle herds within Manitoba and Saskatchewan?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, as I indicated to the House yesterday, I have no such plan at present. In response to questions, I indicated that to do so would be clearly contrary to long-established national parks' policy.

I did indicate that if members on the far side of the House could provide me with more information on the situation than I have so far received, I would be happy to explore the question again. But up to the present time I must reiterate what I said in the House yesterday, that is, that there are no present plans to follow the course of action which the hon. member recommends.

Oral Questions

ENVIRONMENTAL AFFAIRS

ACID RAIN—POLLUTION FROM U.S. SOURCES

Mr. Norman Kelly (Scarborough Centre): Madam Speaker, I should like to direct my question to the Minister of the Environment. The United States has just approved a bill which will replace oil by coal in 80 power plants throughout the northeastern states.

Since this bill has the potential to increase the acid rain content in parts of southern Ontario and the maritimes by nearly 16 per cent, I ask the minister whether he would inform the House of his reaction to the bill and outline the course of action he might pursue to protect the Canadian environment.

Some hon. Members: Order.

An hon. Member: This question was asked yesterday.

Some hon. Members: Order.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, this is an extremely serious situation and we are very concerned about it. The legislative proposals have not passed through the entire legislative system of the U.S. government. They have, however, passed the Senate, which is one step toward their completion.

We have expressed on many occasions our concern to the U.S. government, on my own part as recently as last Monday when I met with Mr. Costle, the director of the Environmental Protection Agency of the U.S. We are renewing our expressions of concern to the United States. The legislative proposals still have to go through the House of Representatives. I expect that in the process of undertaking that path they will be substantially modified.

• (1440)

But I share the concern expressed by the hon. member. It is an extremely serious situation. We have made our views on this matter clearly known to the Americans on many occasions. We will not in any way diminish our efforts but will, rather, redouble our efforts to ensure that the American Congress, the Administration and the American public are conscious of the very grave dangers which these proposals imply not only for Canada but for the United States as well.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Another admission of ineffectiveness.

NATIONAL DEFENCE

NAVAL DESTROYERS—SECOND PHASE OF UPGRADING PROGRAM

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, the Minister of National Defence is undoubtedly aware of the advanced age of our 16 steam destroyers and, therefore, that their equipment is subject to unpredictable breakdowns and failures. Could the minister inform the House whether he is planning to announce the second phase of the upgrading program, Delex?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am fully aware of the Delex program. The first phase is practically over and I believe we will try, depending on available resources, to launch the second phase as soon as possible. I agree with my colleague opposite that this program is of extreme urgency and we will do our utmost to complete it as quickly as possible.

[*English*]

Mr. Munro (Esquimalt-Saanich): I was wondering whether the minister would be able to tell us the cost of the second phase of the program, and what action he is taking to have his officials prepare for the day when the Delex program comes to an end in 1990 to replace the destroyers which are now being upgraded?

[*Translation*]

Mr. Lamontagne: Madam Speaker, everyone knows full well that there is a program to replace the six frigates. As was recently mentioned, there is no undue delay in the implementation of this program. Obviously, as soon as the decision is made to replace these six frigates, we will have to consider the study which will be submitted to us at the end of this month on the possibility of building smaller ships, which incidentally was a suggestion made by the official opposition, and to try and continue upgrading our destroyer fleet.

[*English*]

EQUIPMENT AND MORALE OF CANADIAN ARMED FORCES

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question is for the Minister of National Defence. The minister told the news media that he does not want to talk about a defence white paper because it bores him, and that we should read the speeches of the defence staff to know what is going on.

Considering there has been no defence white paper for ten years and defence costs are about $5 billion per year, does the minister not think it is time the people of Canada had the right to know the present equipment and morale status of our forces and the exact plans of the government for the future, especially in view of critical statements on these matters made by some of the very same persons on the defence staff he told us to listen to?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I hope that the series of questions that is being directed at me today does not undermine the excellent resolution which was taken unanimously by the House yesterday in recognition of the efficiency and the commitment of the armed forces, a resolution which I fully endorse, of course, and for which I thank all my colleagues.

An hon. Member: When will insults cease to be hurled at our armed forces?

Mr. Lamontagne: Madam Speaker, in reply to the hon. member's question, I must say that instead of wasting his time preparing endless questions as he does, he should attend the sittings of the Standing Committee on External Affairs and National Defence. At the committee's last sitting, I tabled a brief stating and explaining our past, present and future defence policy, which I think would have answered all his questions.

[*English*]

Mr. Cossitt: Rather than answer that nonsense, may I ask this: the minister answered my question last week by saying that Major General McNichol was "inaccurate and misleading" when he stated that we were working in the 1980s with 1950 equipment, and the minister said that the matter was closed. Since then Major General McNichol confirmed his statements, showing the matter is not closed.

Will the minister tell the House what steps the government will take to increase manpower and update outmoded equipment, particularly such things as what is reportedly the world's oldest-living computer used by the air defence group at North Bay, radar equipment in certain places with outdated valves, irreplaceable in the western world and only available from behind the Iron Curtain? In general, will he tell us what he will do about the armed forces operating in a completely undermanned and sadly ill-equipped state?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I find it rather difficult to answer this whole series of questions, but as I said, if the opposition would take the trouble to read my brief to the committee they would find that all the answers are also in that brief. They explain quite well the positive steps taken by this government to modernize the equipment and thereby boost morale in our armed forces and, in the final analysis, make them more efficient.

[*English*]

CONSIDERATION OF REPORT "FEDERAL POLICIES FOR EMERGENCIES—A PLANNING REVIEW"

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is for the Minister of National Defence.

Some hon. Members: Oh, oh!

Mr. Wenman: In view of the recent call by the central committee of the Soviet Union for a further build-up of that country's armed forces, the recognition of the growing Soviet threat in recent statements by the Minister of National Defence, the Secretary of State for External Affairs and the Secretary General of NATO, the reflection of this concern in President Carter's call for reinstating the draft and in Congressional demands for increasing military spending, and in view of the lack of planning—

Some hon. Members: Oh, oh!

An hon. Member: What is the question?

Mr. Wenman: In view of the—

An hon. Member: He cannot even read his question.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member should have followed his intuition and gone right to his question.

Mr. Wenman: In view of the lack of planning and policy in the civil defence of Canada—

Madam Speaker: Order. When I call a member to order because I want him to go immediately to his question, I do not mean that he should repeat that paragraph. He should go right away to his question, if he would, please.

Some hon. Members: Hear, hear!

Mr. Wenman: Has the minister read the civil defence report waiting on his desk entitled: "Federal Policies For Emergencies—A Planning Review"? Will he table that report in the House before the Standing Committee on External Affairs and National Defence discusses this issue at its July 8 meeting?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the answer to this question is quite simple. If the hon. member wants to obtain all the information he is seeking, he can come to the standing committee's next meeting and ask the question, and we will then be in a position to provide him with all pertinent information.

Madam Speaker, it must be realized, after all, the way the opposition lead their questions they are making a speech almost every time. Let hon. members put a precise question, and we will answer precisely.

[*English*]

Mr. Wenman: I would assume, then, that the minister has not read the report.

Mr. Clark: He has never heard of it. He has never heard of his department; he thinks it is the Post Office.

Mr. Wenman: His particular emphasis in civil defence must relate to emergency warning. If the minister has read the report, will he inform the House whether he has communicat-

ed to the department his personal preference for either the national emergency alarm repeater, a warning system attached to any electrical outlet, or the crisis home alert technique, a system operating through radio or television sets?

[*Translation*]

Mr. Lamontagne: Madam Speaker, one thing has to be recognized: the questions I am now asked are excessively technical. I do not think the Minister of National Defence should be expected to give explicit answers to every question of this type. But if hon. members want answers—

An hon. Member: Answers is not what they are after!

[*English*]

Mr. Clark: Trudeau needs Falls.

Mr. Lamontagne: Do you want an answer, or not?

Mr. Clark: Yes.

Some hon. Members: Hear, hear!

An hon. Member: Go ahead, give us an answer.

[*Translation*]

Mr. Lamontagne: Madam Speaker, if they want real, complete and evolved answers to their questions, I do not think the question period is the only forum. I can supply them in other ways, either in written form or otherwise.

* * *

● (1450)

[*English*]

HEALTH AND WELFARE

REQUEST SLIDESHOW "ALICE IN ADDITIVE LAND" BE TAKEN OUT OF CIRCULATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. Recently, the educational services section of the health protection branch began distributing to the public a slideshow called "Alice in Additive Land". In my view, this show is sexist in nature and tends to have a very uncritical attitude toward the whole food additive industry.

I gave the minister notice that I intended to raise this matter in the House two weeks ago, so that she would have an opportunity to view the slideshow herself. I ask the minister now whether or not she has had a chance to view the slideshow called "Alice in Additive Land", and whether or not she is prepared to pull it out of circulation and have it redone so that it is a much more balanced presentation than it is at present.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I saw the show the evening of the day the hon. member gave me notice. I thank the hon. member for having mentioned this particular slideshow to me. I did not find it sexist at all, nor did I find it biased toward the industry. On the other hand, it is not a show that will win an Oscar.

This slideshow was done, as I understand it, just before I came back to the department. It was ready for distribution in March. It is obvious that it was done with very little money: the style of cartoon is around the 1955 era of the film industry.

Other than that criticism of the style of delivery of the show, I did not detect—and I read the script twice— any other criticisms. I have asked my officials to review it once more with regard to possible industry bias. However, I saw no such bias. That is all I can tell the House at this point.

Mr. Blaikie: Madam Speaker, the slideshow is not the only act which is not deserving of an Oscar.

Some hon. Members: Oh, oh!

Mr. Blaikie: I find it very difficult to believe that the Minister of National Health and Welfare—

Madam Speaker: Order, please. I think we need a little more silence in the House today: it is very hard for me to follow what is going on.

Mr. Blaikie: Madam Speaker, I find it difficult to believe that the Minister of National Health and Welfare does not find that slideshow insulting to women. Can the minister tell the House when the Department of Health and Welfare became a public relations agency for the food additive industry?

[*Translation*]

Miss Bégin: Madam Speaker, I am going to answer in French as it is obvious that my message did not get through. I thought I had explained to the hon. member that the two allegations he made against me, first, that the slideshow is sexist and, second, that it gave a biased image in favour of industry, were completely wrong. If he has any evidence whatsoever of sexism, well, my God, let him educate me because I fail to grasp it.

As concerns the only problem which I consider to have any gravity—

[*English*]

Some hon. Members: Oh, oh!

Miss Bégin: Now I must check the translation.

[*Translation*]

As concerns the only problem which might be serious, even if it did not appear as such to me, that of a possible distortion in favour of industry, I do not believe that it is true. I would point out to the hon. member that we made a survey on food additives among Canadians. When I made that study public, Canadians showed that they were very concerned about food additives and yet they did not know exactly what they were. The role of my department is certainly to inform the public and I

might say in passing that we intend to play a more active role in that area.

* * *

[*English*]

NATIONAL REVENUE

TAX REMISSIONS TO ASSIST NORTHERNERS—GOVERNMENT POSITION

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, my question is to the Minister of National Revenue. Because it is generally recognized that living expenses in the north are higher than in other parts of Canada, has the minister considered tax remission proposals to assist northerners in certain areas, a move which will compensate for their higher cost of living?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I thank the hon. member for his question.

Mr. Baker (Nepean-Carleton): He read it very well.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Rompkey: Madam Speaker, I thank the hon. member for his question. Indeed, Treasury Board and cabinet have authorized me to remit taxes to those people in certain areas of the north on certain benefits which they now pay. The areas to be covered will be north of the sixtieth parallel as well as other areas which are identified as isolated posts by Treasury Board regulations. The areas of remission will be subsidized housing, low cost housing, and travel for vacation and medical purposes. The cheques will be made directly available to the employees.

Some hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

COST OVERRUNS OF LONG-RANGE PATROL AIRCRAFT AND HELICOPTER RESEARCH AND DEVELOPMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of National Defence.

Some hon. Members: Oh, oh!

Mr. McKenzie: The minister recently announced that the Aurora long-range patrol aircraft, LRPA, was delivered on time and within budget. At the same time, the President of the Treasury Board tabled in this House a list of cost overruns showing the Aurora project as having an overrun of $98,735,000. Will the minister kindly explain this $100 million difference of opinion?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, what we call an overrun in English is an unforeseen expense or an expense caused by unforeseen surpluses. However, I believe that this increase of $98 million is due to inflationary costs and could not have been foreseen because of the economic situation. It is not an overrun, it is simply an increase of expenditures—

[*English*]

An hon. Member: That is not an overrun.

Some hon. Members: Oh, oh!

Mr. Lamontagne: That is true—

[*Translation*]

—due to the economic situation at the time.

[*English*]

Mr. McKenzie: Madam Speaker, I agree that this government appears to have little control over anything financial. My supplementary question refers to another cost overrun. Can the minister explain how his department fell into the book of records for cost overruns when a research and development project concerning helicopters, with an approved cost of $150,000, ended up costing $1,484,000, an overrun of approximately 1,000 per cent?

An hon. Member: It is just inflation.

Mr. Lamontagne: Madam Speaker, I wish to thank the hon. member for introducing this question during the occasion of Armed Forces Day. I think it is a demonstration of the respect the opposite side shows for the armed forces.

An hon. Member: But not for you.

[*Translation*]

Mr. Lamontagne: Madam Speaker, I have no detailed information on the case mentioned by the hon. member. If he wishes, I shall provide him with an accurate reply and relevant explanations.

[*English*]

TASK FORCE REPORT ON UNIFICATION

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, surprisingly, my question is for the Minister of National Defence. Unlike the more difficult questions the minister has been called upon to answer, it is a very simple question. It concerns the Fyffe task force report on unification.

On May 18 the minister was quoted as saying that the task force report was "a superficial thing containing hardly anything of substance". Does the minister disagree with the majority of the 135 serving generals and colonels who appeared before the task force and who gave as their opinion that they preferred a joint chiefs of staff system to the current unified one?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, when the unification task force presented its report, I said at the time that one of its recommendations had already been implemented, namely the one to include in the defence council the three commanders of the armed forces, that of the army, the air force and the navy. This is a recommendation that we had already accepted. As for the other allegations that the hon. member has just made, I would say that they do not necessarily reflect what I said. I do not recall ever having said that this report was not important, but I did say that the other recommendations should be re-evaluated since the report made no mention of the cost of implementation or non-implementation of these recommendations. When the task force that I have established to re-evaluate this whole issue has made its report, a decision will be made. However, I would not want to express any opinion at this time before those who are now examining the report now so that they can express their own views.

• (1500)

[*English*]

Mr. Howie: A supplementary question, Madam Speaker. Given that one of the stated objectives of the Liberal government of the day which forced the unified system on the Canadian forces was to cut back on the high number of senior officers caused by the triplication of posts on account of having three services, could the minister explain to the House why in 1969, prior to unification, there were 109 serving generals for a total force of 100,000 men, while in 1979 there were 108 generals for a force of 79,000 men and women?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I think it is rather difficult to compare the pre-unified system with the present unified system because nowadays all major generals, lieutenant generals and brigadier generals are known as generals. In the past, for example, we had air marshals, admirals and generals, a completely different system. At that time, I think we had as many generals, marshals or admirals as we have today, if not more, because the qualifications and the evaluation were not the same.

* * *

[*English*]

NORTHERN PIPELINES

NEGOTIATIONS WITH U.S. ON ALASKA HIGHWAY NATURAL GAS PIPELINE

Mr. Gary F. McCauley (Moncton): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Given conflicting reports on the progress of negotiations concerning the Alaska Highway natural gas pipeline, can the minister clarify the position of the United States government, in light of the apparently encouraging reports emanating from the minister's discussions with the United States officials in Venice?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had the advantage of extensive discussions with the Secretary of Energy for the United States during the Summit. We had a lengthy exploration of improvements that should be made in the position of the United States and also clarification of their position. We stated very clearly our view as a government speaking for the people of Canada.

I expect an answer from the United States Secretary of Energy within the next few days. In particular, we made it plain that we want a very clear indication from the United States government and the United States Congress that they are still in full support of building the full Alaska gas pipeline.

* * *

EXTERNAL AFFAIRS

VENICE SUMMIT—WITHDRAWAL OF SOVIET TROOPS FROM AFGHANISTAN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I should like to address my question to the Minister of National Defence. Reports from Venice indicate that the Prime Minister supported the Summit demand for a total withdrawal of Russian troops from Afghanistan. We are pleased to see such a show of unity.

Could the minister tell us if he believes the government's aims in this regard are helped at all when two Canadian parliamentary delegates to a NATO meeting in Luxembourg two weeks ago abstained from voting on a resolution condemning the Russian invasion?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I know that. I think that two members of that committee abstained from voting. I would not say that they voted against the resolution, but they wanted to maintain a personal opinion.

If the hon. member wants to know what I think of the meeting which took place in Venice or what is my perception of the international situation at the moment, he simply has to read the article published in yesterday's edition of the *Journal*.

[*English*]

Mr. Darling: A supplementary question. One of the abstainers, Senator Frith, is a Liberal and by his abstention indicated to our allies that the Liberal party which happens to be in power at the present time—

Madam Speaker: Order, please. The question, please.

Mr. Darling: Can the minister give us any assurance that Liberal delegates will not embarrass us in future by going against government and Canadian policy?

[*Translation*]

Mr. Lamontagne: Madam Speaker, first, the hon. members took a personal stand, and I am convinced that no hon. member on this side of the House will embarrass the government.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I wonder if I might ask the government House leader what business he intends to put before us today, tomorrow and next week.

Mr. Pinard: Madam Speaker, we had a fruitful meeting of the House leaders this morning. There is agreement that we proceed with debate on motion No. 11 later today; that we proceed also to report stage and third reading of Bill C-28 without debate, except for perhaps one short comment from each party, if necessary; then later today we will proceed to Bill C-19 in Committee of the Whole; and, if possible, to second reading stage of Bill C-3, the Unemployment Insurance Act.

Subject to further talks at our scheduled House leaders' meeting tomorrow, we might deal with all stages of Bill C-36, the "O Canada" bill, if possible. I understand that later today Bill C-35 will be reported from committee, and if there is unanimous consent we shall deal with that bill tomorrow also; then Bills C-5, S-6, C-13 and C-22.

[*Translation*]

Next week, depending of course on the progress of business both in the House and in committees, we could complete consideration of the following bills: C-30, on the borrowing authority for the year 1980-81, C-6, the Bank Act revision, S-2, concerning tax agreements, and C-4 respecting grants to municipalities, 1980.

[*English*]

Mr. Knowles: Madam Speaker, may I confirm that there have been discussions about a number of the items mentioned by the government House leader. In doing so, I can say we are prepared to agree that motion No. 11 should pass without debate. The chairman of the committee referred to in the motion is grateful for that. We are also prepared to give third reading to Bill C-28 without debate. I notice that a spokesman for the official opposition wishes to have a minute or two on that. We would claim the same amount of time only if he says something provocative. If what he says is inane, we will let it go without further debate. We shall proceed with Bill C-19 and C-3 for the rest of the day.

I may say also with respect to the order of business for tomorrow that when Bill C-35 comes back for report stage and third reading, we feel it has been adequately dealt with in committee and so it can be passed without further debate.

I confirm the minister's statement that there have been discussions about the "O Canada" bill and the possibility of dealing with it tomorrow. We are prepared to co-operate and it is hoped that something might be achieved at our meeting tomorrow morning.

The minister can tell me later if he included the Small Loans Act in the plan for the next little while.

With respect to next week, I suggest that it is a little way off and things do get changed, so we will accept the suggestion about the number of bills and deal with them when they come up.

I am still annoyed, Madam Speaker, that we have gone this long without the bill respecting veterans and their survivors appearing on the order paper. We have been told repeatedly, since the first week of this session, that there would be such legislation. The minister told us in the standing committee that it will be brought foward in time for us to deal with it before we recess. It seems to me, if that commitment is to be kept, that the bill ought to be on the order paper now. We have given a commitment in the Standing Committee on Veterans Affairs that when the legislation comes before us, we will deal with it quickly.

I think without any further playing around the government House leader should assure us that the bill will be on the order paper before we recess and that time will be given for the bill to be passed, so that the veterans and the widows covered by that bill will receive its benefits. I am told now—I regret this—that the bill will not have any retroactivity in it. That means that every week of delay in passing, it delays getting those benefits to the people concerned. I put it to the minister as strongly as I can that this House must not break for a summer recess until we have done the right thing by our veterans.

• (1510)

Mr. Baker (Nepean-Carleton): Madam Speaker, we are going to have a House leaders' meeting tomorrow and we can discuss a number of the things that have been raised here today. But I just want to remind my friend the government House leader that we indicated to him that if the Minister of Veterans Affairs would bring back the bill which had been placed on the order paper in the Thirty-first Parliament by the former minister of national defence, the hon. member for Victoria, with respect to pensions, we would be grateful.

The Minister of Veterans Affairs has indicated that he has some improvements to that bill. He said so in his speech to the Royal Canadian Legion. If that is the case and there are such improvements to be brought forward, then I would think that it would be appropriate and a matter of priority that that bill be prepared and cleared through the cabinet.

I just want to tell my friend through you, Madam Speaker, that if that bill does come forward, we are prepared to live up to the undertaking. Assuming it is a bill that is at least as propitious and beneficial as the bill put in by the member for Victoria, we are prepared to give that bill three readings and get it out of the House of Commons and over to the other

place to be dealt with. In this way it can become law very quickly, in fact, in one day. If that can have some effect upon my friend the government House leader and his colleague, the Minister of Veterans Affairs, to speed up the process with respect to that bill, then I want to assure him of our co-operation in that endeavour.

Mr. McKenzie: Madam Speaker, I wish to speak briefly on this piece of veterans legislation. I would like to point out to the government House leader that in a statement by the Minister of Veterans to members of the standing committee, he stated that in all probability they would table Bill C-28, with minor changes or no changes. A similar bill to Bill C-28 was introduced by the last government. If the minister is making the statement that he is prepared to table the previous bill, I really do not understand why we are having this delay. Everything is right in the bill. It only has to be tabled. We want to make one brief speech and the NDP will make one brief speech. The bill will go to committee and it will be all over in a half a day. Let us do it before we recess at the end of July.

Mr. Rae: Madam Speaker, could I ask the government House leader whether it is the intention of the government to bring in an act to repeal the Small Loans Act prior to the end of this session. There have been discussions. We have stated for the record that we are in favour of repeal of the Small Loans Act and that we will be in favour of speedy passage of that bill. I understand that similar points of view have been expressed by the Conservative party. Does the government intend to bring that measure forward before the recess?

[*Translation*]

Mr. Pinard: Madam Speaker, to alleviate the concerns expressed by the hon. member for Winnipeg North Centre over the veterans legislation, I want to assure him that I will consult the Minister of Veterans Affairs to see if his concerns are founded. Some suggested that the Minister of Veterans Affairs made certain statements before the Royal Canadian Legion and the standing committee, but as I said last week, the minister said the truth and I do not want to come back to the matter. The hon. member who was wondering about the minister's statement before the committee wanted to know if we were going to introduce the bill before the summer recess, at the end of July.

Allow me to say that I never mentioned the end of July. Those are his words. As for the hon. member who has just referred to the Small Loans Act and who has asked me to introduce a bill to repeal it before the recess at the end of July, I would like to say to him that we have still some 20 urgent and important bills which should be passed before the recess. The veterans bill could be included but I do not want at this stage to make any promise about a specific date for the summer recess.

Now if in fact my colleagues would like to know the date of the summer recess, I would suggest the question is quite premature. The veterans bills are now being drafted. As for the Small Loans Act, the bill is obviously not yet on the order paper. It is a matter which I will take into consideration. As for the other matters mentioned by the House leader of the official opposition, I agree with him that we should complete the discussion during our meeting tomorrow morning before question period.

[*English*]

Mr. Oberle: Madam Speaker, I have a question for the President of the Privy Council concerning another bill, namely Bill C-26. There have been some discussions. It is a very minor matter, that is to say, ratification of an agreement entered into between Canada and the province of British Columbia, which will require half an hour. I know that the House leader of my party has discussed this matter with him. Could the President of the Privy Council give us some indication today when he intends to bring this bill in so that we can be assured it will be dealt with before the recess?

[*Translation*]

Mr. Pinard: Madam Speaker, we have indeed to discuss it and I intend to reconsider it with the minister as well as with the parliamentary leaders at the meeting tomorrow.

* * *

[*English*]

POINTS OF ORDER

MR. SHIELDS—REPLY OF MINISTER OF NATIONAL DEFENCE DURING QUESTION PERIOD

Mr. Jack Shields (Athabasca): Madam Speaker, I rise on a point of order. In the question period today the Minister of National Defence (Mr. Lamontagne), in reply to a question, imputed motives to this side of the House to which I take great exception. To quote him, I believe he said that "it showed the respect for our Armed Forces held by members on this side of the House". We asked a number of questions from this side of the House, and I believe he clearly inferred that we do not respect the Armed Forces.

I would like to say that this is imputing motives to people on this side of the House which I take serious exception to. I was a member of the Armed Forces. I would like him to withdraw that statement or to stand up now and apologize to members of this House, because I think that it was the most deplorable kind of accusation that he could make.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, obviously there are no grounds for a question of privilege. Most of the questions which were asked could well have been put on the order paper and I think that the House should proceed with its regular course of business if there is any real desire for an adjournment before August.

Madam Speaker: Indeed I must tell the hon. member for Athabasca (Mr. Shields) that there is no ground there for a question of privilege. In my opinion it was not a question of privilege but rather a point of order. I understand the hon. member did not appreciate the interpretation given by the minister regarding the questions asked by the opposition. The hon. member has made his remark. He rose on a point of order. Still I cannot really accept it as a valid point of order. I can understand the fact that the hon. member did not appreciate this comment but anyway these are things that can happen during question period.

[*English*]

MR. MACKAY—REQUEST FOR CLARIFICATION OF REMARKS OF MINISTER OF NATIONAL DEFENCE

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I want to raise a brief point of order which has reference to what the Minister of National Defence (Mr. Lamontagne) said. Perhaps you can look at the blues and check what the minister said tomorrow. Maybe the minister did not mean it the way it came over, and perhaps there was so much noise, as you have pointed out, and if I contributed to it, my apologies. But I understood the minister to say, in effect, that if members wanted questions, the place to ask them might not be during the question period.

I can understand, depending on which side of the House one sits, that sometimes questions can be embarrassing. If that proposition is allowed to stand without being underlined or clarified, that is to say, that the question period in the House of Commons is not a very suitable or the most appropriate place to ask questions, then that is a very marked departure from parliamentary tradition.

I just want to ask you, Madam Speaker, to check the blues and perhaps ask the minister to check his answer, because as I understood him the effect was that if members wished to have answers to questions, the question period may not be the best place. If that is not the best place, I would like to know what is the best place.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, obviously the hon. member misunderstood the answer. What the Minister of National Defence (Mr. Lamontagne) said was that he was not referring to all the questions in general but to one specific question that was asked of him, and that it should have been put on the order paper. I think he was right in saying so. I also think that on the principle, as the hon. member well knows, he did not have to answer any of the questions, but he did answer in the best way he could.

● (1520)

Obviously there is no point of order in what the hon. member has just raised. Ministers are free to answer and the minister did answer well. When he stated that some of the questions should not have been asked during question period, he was right in saying that because most of the questions asked of him should have been placed on the order paper.

[*Translation*]

Madam Speaker: I believe that I was able to follow adequately what went on during this exchange in question period. I can check *Hansard* as the hon. member has requested, but it seems to me that the hon. minister said about one, or perhaps even two of the questions, that he needed additional information since the issue was rather complex and he would rather reply at another time than during question period.

I do not have to remind the hon. member that, in any case, the minister can choose not to reply to any question. He answered in his own way today. The hon. member may not be satisfied, but I cannot force the hon. minister to give another answer.

* * *

[*English*]

PRIVILEGE

MR. ANGUISH—REMISSION OF TAXES TO NORTHERN RESIDENTS—QUESTION ASKED BY MEMBER FOR THUNDER BAY-NIPIGON

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise on a question of privilege regarding certain behaviour during the question period this afternoon. The question asked by the hon. member for Thunder Bay-Nipigon (Mr. Masters) was obviously a set-up. It was read from a piece of paper, and when responding the minister read the reply.

I have here a copy of a press release issued by the Minister of National Revenue (Mr. Rompkey). On it is stated "Not to be released before 3 p.m. Thursday, June 26, 1980". Therefore, it was a direct cover-up by the Minister of National Revenue. The minister did not want those in the opposition parties to respond to the announcement he made about remitting taxes to residents in isolated northern areas. There are many concerns we would like to raise about that. Therefore, the government are covering up and taking away our privilege as members of Parliament to act on behalf of our constituents and express our concerns about measures imposed by the government which directly concern us.

In connection with that, I also notice that according to the House plan, members opposite do not sit in their proper places. Therefore, either the House plan should be changed or members should sit in their proper seats. The hon. member for Thunder Bay-Nipigon sits in the wrong place, as does the hon. member for Niagara Falls (Mr. MacBain), making it hard to identify them.

That is the first question of privilege. The second is that we should have an opportunity to respond to ministerial statements.

Madam Speaker: Order. The hon. member admits that he is dealing with two questions of privilege at the same time. I can only entertain one.

Mr. Anguish: The question of privilege, if I only have the opportunity to raise one, is the fact that we should not have set-up questions in this House, even though the Conservatives obviously agree with that by what the members here are saying. I disagree with that. It impedes my ability to act as a member of Parliament in the interests of my constituents on statements that should be made as ministerial statements.

Set-up questions by the Liberal government impede my ability to act as a member of Parliament and respond to a very important concern whereby people are being affected by a tax remittance. This remission is only effective to the end of 1980. What happens then to these taxable benefits? The oil companies which many of these people work for had profits in excess of 108 per cent in the first quarter compared to what they had last year.

Madam Speaker: Order. I know the rule of relevancy is not often invoked in this chamber, but I am afraid I must invoke it at this point. Has the hon. member completed his question of privilege? If so, I am ready to rule on it.

The hon. member is discussing a grievance he has regarding what happened earlier in the question period. I would say to the hon. member that the member for Thunder Bay-Nipigon (Mr. Masters) is not the only member who reads his questions. That is acceptable in this House. I found the question acceptable. It is not unparliamentary. On the contrary, it is a custom which is prevalent in many parliaments, including this Parliament, whereby members give prior notice of a question to a minister. I do not know whether prior notice had been given in this case. However, that is not unparliamentary; it is quite acceptable.

The hon. member himself may do that if he wishes in order to receive a more complete answer to one of his questions. He could give notice to a minister of a question that he wants to ask. I do not see how the privileges of the hon. member have been breached by this. It is perfectly acceptable procedure during question period.

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I do not think it is a matter of the notice from the hon. member to the minister of the question that is going to be asked. It is the growing suspicion in this House that there is notice by a minister to a member to ask a question.

Madam Speaker: Order, please. I have just ruled on this question of privilege, and, therefore, cannot allow the hon. member to comment on it.

Mr. Cossitt: Madam Speaker, I rise on a point of order arising from what was said at one point yesterday by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) when, as he does each day, he announces the order paper questions to be answered. On Wednesdays he announces—

Madam Speaker: Order, please. Since the hon. member is referring to something that took place yesterday, I would require notice in order to entertain his question of privilege.

Mr. Cossitt: The reason I could not give you notice, Madam Speaker, is that the gentleman he mentioned—

Madam Speaker: The hon. member might—

Mr. Cossitt: I think I should have the privilege of explaining while I am on my feet and then you could rule.

Madam Speaker: The hon. member might have a lot of good reasons for not giving notice, but I must apply the rules. I require notice if the hon. member wants me to entertain a question of privilege on something that happened yesterday.

Mr. Cossitt: May I ask you to clarify, Madam Speaker. I may have mentioned something, but if something occurs right now across the floor of the House, why can I not raise it as a point of order? The situation did not exist yesterday. It began yesterday but the entire situation exists right now. The two members are here. I feel I have a perfect right to proceed on a point of order.

Madam Speaker: If the hon. member is speaking of something which flows from the deliberations of today, I can entertain his point of order.

Mr. Siddon: Madam Speaker, I just want to make a brief comment on the previous point of order relating to the—

Madam Speaker: Order, please. I made a ruling on the previous points of order raised in this chamber and I cannot entertain further comments on them. I do not know what is wrong with members this afternoon.

Some hon. Members: Hear, hear!

Madam Speaker: I have not yet had a chance to go outside to see what the weather is like, but it must be the weather! I would ask hon. members to restrain themselves and raise only legitimate points of order, if they have any.

Mr. Siddon: Madam Speaker, it is a point of order relating to a reply that the deputy House leader gave with respect to the answers given by the Minister of National Defence (Mr. Lamontagne) during question period. It is not a matter on which Your Honour made a ruling.

Madam Speaker: Order. I believe the hon. member is referring to something on which I have ruled. That was his introductory statement. I have to take it that he wishes to comment on a ruling I have just made. Therefore, I cannot give him the floor.

• (1530)

ROUTINE PROCEEDINGS

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Second Report of Standing Committee on Regional Economic Development—Mr. Pelletier.

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

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[*English*]

INDUSTRY

TABLING OF AGREEMENT WITH CHRYSLER (CANADA) LIMITED AND CHRYSLER CORPORATION AND OPERATING AND FINANCIAL PLAN, 1980-1985

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, pursuant to Standing Order 41(2) I have the honour to table in both official languages the agreement among Her Majesty the Queen in right of Canada and Chrysler (Canada) Limited and Chrysler Corporation as well as the Chrysler (Canada) Limited Operating and Financial Plan for 1980 to 1985. I have copies of this material for opposition spokesmen.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM MONTMORENCY TO MONTMORENCY-ORLÉANS

Mr. Louis Duclos (Montmorency) moved for leave to introduce Bill C-608, to change the name of the electoral district of Montmorency.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 100, 164, 245, 332, 334, 611, 634, 683, 690, 722, 767, 796, 828, 843 and 897.

Order Paper Questions

[*Text*]

MACDONALD ROYAL COMMISSION—FEATHERBED FILE

Question No. 100—**Mr. Cossitt:**

Will the government consider referring the Featherbed File to the McDonald royal commission for examination and, if not, for what reason?

Hon. Bob Kaplan (Solicitor General): The commission of inquiry concerning certain activities of the RCMP reviewed the Featherbed File in 1978.

CANADIAN EMBASSY IN MOSCOW—LOCAL STAFF

Question No. 164—**Mr. Cossitt:**

Have Russian citizens serving as maintenance staff or in any other post resigned from the staff of the Canadian Embassy in Moscow and, if so (a) what problems has this caused (b) how many left their jobs and, in each case, what was their (i) name (ii) address (iii) job designation (iv) salary (v) reason for leaving such employment?

2. (a) Is the government considering dismissing all remaining Russian citizens at the embassy and filling such positions with Canadian citizens (b) does the government of the Soviet Union use this system and, if so, is there any reason that Canada hesitates to use such a system?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. A number of Russian citizens have resigned from the staff of the Canadian Embassy in Moscow recently. This has meant cutting back on certain services and redistributing the duties amongst the remaining staff. Information on those employees who have left jobs is attached.

2. (a) The government is not considering dismissing all remaining Soviet citizens at the embassy and filling such positions with Canadian citizens.

(b) The Soviet Union to our knowledge employs mainly Russian citizens at its missions abroad. Canada employs a system whereby, in addition to the necessary complement of Canadian employees, it hires citizens of the country where its embassies are located to perform certain non-sensitive duties, such as drivers, gardeners, translators, customs clearance clerks, etc. This system which is used by Canada in Moscow, is similar to the one used by most other western countries there. In the government's view the adoption of the Soviet system at the Canadian Embassy in Moscow would be very costly, inefficient and unnecessary since it would require the posting and maintenance in Moscow of several more Canadians than is now the case, and many of the duties such Canadians would perform could be adequately performed by Soviet citizens.

Name	Reason for Leaving
Davydova, L	Husband transferred
Fatyanova, A	Husband posted
Juritsin, S	Personal
Neustroyev, V	Better work elsewhere
Popikov, A	None
Mishen, S	Better work elsewhere
Cherkasova, L	Better work elsewhere
Nilubov, V	Better work elsewhere

Order Paper Questions

VETERANS AFFAIRS—HOSPITALS

Question No. 245—**Mr. Herbert:**

1. How many veterans presently in hospitals administered by the Department of Veterans Affairs are not considered the responsibility of the government?

2. What is the cost to the government to look after them and what amount does each provincial government contribue toward the cost?

3. Does the government permit the inclusion of such provincial contributions for the calculation of the federal-provincial medical cost-sharing program?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 899.

2. Ste. Anne's Hospital, Province of Quebec

Cost to Government	—	$ 70.00 per diem
Recoveries (Provincial)	—	$ 35.00 per diem—Active $ 25.00 per diem—Chronic

Deer Lodge Hospital, Province of Manitoba

Cost to Government	—	$143.10 per diem—Active $ 73.45 per diem—Chronic
Recoveries (Provincial)	—	$127.55 per diem—Active Nil —Chronic

3. No. The federal-provincial medical cost-sharing system has been superseded by a system of block payments to the provinces.

SECOND OFFICIAL LANGUAGE EDUCATION

Question No. 332—**Mr. Herbert:**

Does the government intend to conclude an interim funding arrangement for the fiscal year 1979-80 for minority and second official language education and, if so, will the terms and conditions of the agreement be made public?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Arrangements for providing financial assistance on a interim basis for the 1979-80 fiscal year for non-formula programs and for formula funding were concluded with the provinces. The interim arrangements basically constituted a continuation of programs provided under previous agreements and therefore were governed by the same terms and conditions, subject to arrangements limiting total funding for formula programs to $140 million and for non-formula programs to $30.4 million. The terms and conditions governing former agreements, which had been made public previously, were therefore still applicable.

MINORITY OFFICIAL LANGUAGE GROUP

Question No. 334—**Mr. Herbert:**

1. Is it the government's intention to support the opportunities for Canadians of the minority official language group in each province (English in Quebec, French in other provinces) to be educated in their own language and, if so, by what means?

2. Will conditions apply to any new agreement and will it be possible to terminate the agreement, at any time, if the conditions are not fulfilled?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): 1. The federal government has provided financial assistance to provinces since 1970-71 with the objective of supporting opportunities for Canadians of the minority official language group in each province to be educated in their own language. The assistance has been provided under two successive federal-provincial agreements on official languages in education, the latter of which expired March 31, 1979. Funds for the 1979-80 fiscal year were provided under an interim arrangement, and funding on an interim basis has also been agreed to for certain programs in 1980-81. Negotiations to conclude new long term agreements, commencing 1980-81 are currently underway.

2. As the new agreement has not yet been finalized, it is not possible at this time, to comment on any particular conditions that it may contain.

ENERGY, MINES AND RESOURCES—LAWYERS ON STAFF

Question No. 611—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Energy, Mines and Resources?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

There are no lawyers employed on staff in the Department of Energy, Mines and Resources. However, the Department of Justice has assigned six lawyers to provide the day to day legal counsel required by the department.

ENVIRONMENT—PUBLIC RELATIONS

Question No. 634—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of the Environment?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment):

Headquarters:	43
Regions:	25
Total:	68

CRTC—BROCKVILLE, ONTARIO

Question No. 683—**Mr. Cossitt:**

1. Did the Canadian Radio-television and Telecommunications Commission receive a resolution under cover of a letter from the city council of Brockville, Ontario approximately five months ago on the subject of service etc. rendered by Brockville Amusements Limited and some times known as Brockville Cable Limited and, if so (a) what was the date of the letter (b) was the letter answered or acknowledged and, if not, for what reason?

2. Did Vincent Lee Chong of the CRTC receive an inquiry within the last several weeks from a member of the Brockville city council asking why the commission had not had the courtesy to reply and, if so, was the answer given

that Brockville Cable Limited had yet to reply to the commission's representations made as a result of Brockville city council's resolution?

3. If the CRTC does not receive replies to its mail within a reasonable time is it customary to wait five months or more to follow matters up and, if so, for what reason?

4. Will the commission reply to the Brockville city council and, if so, on what date?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Radio-television and Telecommunications Commission that the reply to the above question is as follows:

1. A letter dealing with this matter was received in the commission, December 17, 1979.

(a) The date as typed in the letter was "1979 12 13".

(b) An interim response to this letter was sent to Mr. A. J. Miles, city clerk of Brockville, on January 30, 1980. This letter informed Mr. Miles that the city's resolution had been brought to the attention of Brockville Cable.

2. Mr. Vincent Lee-Chong, an employee of the commission, did receive a telephone inquiry from Mr. Bob Runciman, member of the Brockville city council, re the resolution of the Brockville city council. This inquiry was received in late March 1980.

The answer given was that no reply had yet been received from Brockville Cable regarding the city council's resolution. Brockville Cable was subsequently contacted and questioned about this and other complaints re cable service. Copies of 13 responses to complainants were forwarded by Brockville Cable to the commission in a letter dated April 14, 1980. These responses did not include any concerning Brockville city council. A special letter dated April 24, received by the commission April 27, contained a copy of a response to the Brockville city council resolution. This response was dated April 3, and apparently had been sent directly to Mr. A. J. Miles, city clerk of Brockville. Brockville Cable had been advised in the commission's letter of January 30, that in addition to communicating with the commission, it could get in touch with the complainants directly.

3. It is customary to issue follow-up communications if response to commission mail is not received within reasonable time. In this case this follow-up communication was sent approximately two months after the original CRTC letter to Brockville Cable.

4. The commission has replied to the city of Brockville. In that letter the commission, after outlining earlier inquiries into the matter, undertook for senior staff to visit Brockville, meet Brockville city council representatives and inspect the cable television operations. Further action will depend on the findings of that visit.

EXTERNAL AFFAIRS—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 690—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of External Affairs for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the national capital region?

4. What was the total cost of all such contracts?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Five.

2. (a) Four; (b) one; (c) none.

3. None.

4. $31,260.69.

EXTERNAL AFFAIRS—LOSS OF VEHICLES

Question No. 722—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of vehicles recorded by the Department of External Affairs in footnote number 7 at page 12.62, Volume I of the 1978-79 Public Accounts of Canada, for what reason was the loss of $21,450 unexplained?

2. Did the department undertake steps to ascertain the whereabouts of the two vehicles and, if so, what were they?

3. Was the thief apprehended?

4. In what locations did the losses occur?

5. Did the department undertake steps to ensure that such losses do not recur and, if so, what were they?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The descriptive title of the Public Accounts statement in question is considered to be self-explanatory (i.e., losses due to destruction or damage), and no further explanation appears necessary as in accordance with relevant instructions from the Receiver General, the footnote identifies those losses which occurred other than by destruction or damage.

2. The vehicles concerned were utilized by our embassy in Beirut, Lebanon. Their loss due to theft was reported to the civil authorities. The vehicles were a 1972 Landrover and a 1975 Peugeot 504 Sedan.

3. No, the vehicles were taken during time of civil uprising. Local authorities attempted to investigate, however, results were negative.

4. The losses occurred in Beirut, Lebanon.

5. The department always ensures that maximum protection is afforded to all public assets.

PRIME MINISTER'S OFFICE—PRIVY COUNCIL OFFICE—ADMINISTRATIVE AND POLICY CONSULTANTS UNDER CONTRACT

Question No. 767—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Prime Minister's office and Privy Council office and/or any boards, commissions or corporations reporting to the Prime Minister and, in each case, what amount was paid to them?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as the Prime Minister and Privy Council offices are concerned: (a) and (b) none.

In so far as the Economic Council of Canada is concerned:

Order Paper Questions

(a) 3—$14,980.87

Mr. Norman Lafrance	$ 6,570.00
Mrs. Eileen Pruden	$ 1,190.00
CEGIR Company	$ 7,220.87
	$14,980.87

(b) 1—$31,083.48

Mrs. Gail C. A. Cook	$31,083.48

In so far as the Chief Electoral Office is concerned: (a) and (b) none.

In so far as the Public Service Staff Relations Board is concerned:

(a) 2—$24,884.81

Data Crown	$21,384.81
Pouliot, Guerard & Associates	$ 3,500.00
	$24,884.81

(b) None.

NATIONAL FORESTRY POLICY

Question No. 796—**Mr. de Jong:**

Does Canada have a national forestry policy and, if not, is it the government's intention to develop such a policy?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Although each province has jurisdiction over the forest resources within its own boundaries, there is need for agreement on basic goals and principles in the management of our forests. The Canadian Council of Resource and Environment Ministers has addressed this matter. As a result, all the provinces and the federal government have agreed that Canada should try to increase the flow of benefits from the forest resource and eleven basic principles which each jurisdiction will take into account in developing its own forest policy have been identified. A discussion paper on federal policy on the forestry sector was released by the federal government on January 15. Environment Minister John Roberts outlined the federal policy on March 25 (Environment Canada Press Release, Montreal, March 25, 1980).

ENERGY DERIVED FROM RENEWABLE RESOURCES

Question No. 828—**Mr. Howie:**

For the fiscal year ended March 31 (a) 1978 (b) 1979, what amount was spent by the government with respect to energy derived from renewable resources on (i) in-house (ii) outside research and development?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): In so far as the National Research Council is concerned, the reply is as follows:

For the fiscal year ending March 31, 1978

		By NRC	By other federal departments and agencies and coordinated by NRC	Total
(i)	in-house	$ 915,000	$410,000	$1,325,000
(ii)	outside R and D	1,900,000	755,000	2,655,000

For the fiscal year ending March 31, 1979

(i)	in-house	$2,832,000	$2,351,000	$5,183,000
(ii)	outside R and D	4,970,000	2,638,000	7,608,000

BAY OF FUNDY TIDAL POWER—ECONOMIC FEASIBILITY

Question No. 843—**Mr. Howie:**

Since January 1, 1978, what amount was spent by the government on studying the economic feasibility of Bay of Fundy tidal power?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: $79,190.

EXTERNAL AFFAIRS—PUBLISHING OF "INTERNATIONAL PERSPECTIVES"

Question No. 897—**Mr. Cossitt:**

1. With reference to the announcement made on May 9, 1980, by the Secretary of State for External Affairs, that International Perspectives and its French counterpart Perspectives internationales will no longer be published by the government but by Alex Inglis, 150 Wellington Street, Ottawa (a) were tenders called for the publishing of this material and, if so (i) on what date (ii) from whom were they received and for what amounts (b) if not, for what reason was Alex Inglis awarded the contract without tenders?

2. Was Louis Balthazar of Quebec City selected to edit the French language version and, if so (a) for what reason (b) were others considered as well?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. With reference to International Perspectives and Perspectives internationales:

(a) No.

(b) The Department of External Affairs was aiming to have the private sector publish the journal(s), preferably without public subsidy but with limited subsidy if necessary; therefore, the department had nothing to sell and thus nothing on which to call tenders; instead, the department—on the advice of the Canadian Government Publishing Centre—let it be known in the international relations community in Canada that proposals for the takeover of the journal(s) at the lowest possible cost to the public would be welcome; of the proposals received (three), Mr. Alex Inglis asked for the lowest amount of public subsidy.

2. Mr. Louis Balthazar, as editor of Perspectives internationales, is in a business relationship with the publisher of that journal; questions having to do with his selection for the job would have to be directed to Mr. Alex Inglis.

[*English*]

Mr. Collenette: While I am on my feet I should like to take the opportunity to refer to questions addressed to me yesterday by the hon. member for Red Deer (Mr. Towers) with reference to order paper questions Nos. 810 and 811. I can inform the hon. member that, as of a couple of days ago, these answers were still being prepared. I will do my best to follow the matter up for him.

Reference was also made yesterday to starred question No. 876 by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). I can tell the hon. member that, as of yesterday, part of the answer had been compiled. I am awaiting the other part and I will do my best to bring it to the House as soon as possible.

I would ask that all the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered.

Mr. Cossitt: On a point of order, Madam Speaker, the parliamentary secretary has just referred to points of order raised in the House concerning delays in replying to questions on the order paper, and he has indicated, roughly, when answers might be expected. In these circumstances I feel justified in asking when I might expect an answer to a question of mine which is on the order paper which inquires as to the amount of government business received by Martin Goldfarb and Goldfarb Associates.

I would say I have raised the point of order about this unanswered question six times in the last three years. The hon. gentleman's predecessor said it would be answered "soon". I asked the present parliamentary secretary two years later how soon is "soon", and he said "eventually". Now, if the hon. member has been so kind as to tell other members when questions are going to be answered, would he now tell the House when this one is going to be answered?

While I am at it, might I make one further inquiry concerning another matter—I do not have the number of the question in front of me, but it is easy to locate. A year or so ago I asked for a list of Soviet diplomats who had applied to travel outside the restrictive limits placed on them by the government. That is simply a matter of the Department of External Affairs consulting their records. Something has gone wrong if it takes them two years to do that.

Mr. Collenette: In answer to the hon. member's questions I should point out that there are more than 1,200 questions on the order paper. Many of them have been placed there by the hon. member for Leeds-Grenville (Mr. Cossitt). Answering such questions involves considerable expense and I sometimes wonder whether or not the hon. member is perhaps abusing his position by such questions and putting the government, the taxpayers of Canada, to such inordinate expense in answering what appear to be trivial questions. Be that as it may, I assure the hon. member that there are questions he has asked that I signed recently. Not a day goes by without a couple of his questions being answered. There are three or four today, perhaps five, in the group I have just mentioned. So I would ask him to be patient.

He did misquote me when he referred to my reply a couple of weeks ago to the question concerning Goldfarb Consultants. I defined "soon" as being "some point in the future". Obviously we have not reached that point yet.

Mr. Cossitt: A question of privilege, Madam Speaker. If I understood the parliamentary secretary correctly, he said I was abusing my privileges by asking questions in this House. If I understood him correctly, that was roughly the tone of his remarks. Madam Speaker, when the day comes on which a member of the government can tell the opposition or a member of the opposition that they do not have the privilege of questioning the government, then we will have a dictatorship in Canada, not a democratic government.

Some hon. Members: Hear, hear!

Mr. Cossitt: I ask the hon. member to stand in his place and withdraw that remark. And let him not say he was misquoted, as he did a minute ago, because he was not misquoted.

Mr. Collenette: Madam Speaker, I did not accuse the hon. member of abusing the rules of the House; I was wondering whether or not some of his questions perhaps constituted abuse. Perhaps there is a fine line there; I was expressing a personal view. When I look at these questions day after day and when I think of the expense the government has to go to to answer them, I feel a legitimate concern. Perhaps I should not voice this concern in the chamber and I would ask Your Honour to rule.

If I have offended the hon. member through failing to follow the Standing Orders, then obviously I would apologize. But I certainly have a legitimate right, as have all hon. members, to express reservations I may have about any procedure going on in the House or on any bill which is before the House.

Madam Speaker: Order, please. The Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) has given explanations which perhaps will satisfy the hon. member for Leeds-Grenville (Mr. Cossitt). There is a different interpretation of the sense in which a certain word was used. I do not think it was unparliamentary, but this clarification will probably satisfy everybody.

GOVERNMENT ORDERS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

IMPLEMENTATION OF PROVISIONS OF HELSINKI FINAL ACT—REFERENCE TO STANDING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council) moved:

That the Standing Committee on External Affairs and National Defence be empowered to examine the implementation of the provisions of the three baskets of the Helsinki Final Act by Canada and other participating states and consider Canada's participation in the Madrid follow-up meeting of the Conference on Security and Co-operation in Europe (CSCE) and report to the House; and

That the committee be empowered for this purpose to retain the services of advisers to assist in its work and that it also be empowered to retain such professional, clerical and stenographic help as may be required and that it also be empowered to advertise invitations to the public to submit opinions on the aforementioned matter.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

FISHERIES IMPROVEMENT LOANS ACT

EXTENSION OF AND INCREASE IN GUARANTEED LOANS

Hon. Yvon Pinard (for the Minister of Fisheries and Oceans) moved that Bill C-28, to amend the Fisheries Improvement Loans Act, as reported (without amendment) from the Standing Committee on Fisheries and Forestry, be concurred in.

Motion agreed to.

Hon. Yvon Pinard (for the Minister of Fisheries and Oceans) moved that the bill be read the third time and do pass.

[*English*]

Mr. Mel Gass (Malpeque): Madam Speaker, members on this side of the House recognize and accept the need for urgency in passing this bill. It is imperative that Bill C-28 be passed before July 1 since the fishermen are dependent upon the continuance of the fisheries improvement loans program.

Our party is somewhat disappointed that Bill C-28 was not brought before us earlier so that better discussion of the program could have taken place. However, upon consideration, Madam Speaker, we have decided to allow the bill to be passed without further debate so that any fisherman desiring credit shall not be denied consideration.

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

• (1540)

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed, from Wednesday, June 11, consideration in committee of Bill C-19, to amend the Employment Tax Credit Act—Mr. Axworthy—Mr. Blaker in the chair.

The Assistant Deputy Chairman: Order, please. When the committee rose on Wednesday, June 11, 1980, clause 1 of the bill was under consideration. The hon. member for Richmond-South Delta had the floor. In his absence I will recognize the next hon. member who wishes to address himself to the bill. The hon. member for Calgary West.

Mr. Hawkes: Mr. Chairman, I would like to indicate to the minister opposite how much we appreciate the availability today of information. I hope we can proceed quickly because there certainly is a growing number of unemployed in this country, and the faster we can get on with the passage of this bill the better off I think those unemployed might be.

I would like to begin by reviewing with the minister the announcement he made in this House some two and one-half weeks ago about other alternative ways of creating employment. I wonder if we might begin with the community services program. I think the amount mentioned by the minister was in the order of $11 million for that purpose. I wonder if the minister might tell us how many man-weeks of employment that program might create in this fiscal year and what the dollar cost per week of that employment might be.

Mr. Axworthy: Mr. Chairman, I welcome the invitation of the hon. member for Calgary West to dispatch this particular bill, which has been with us a good long time. I certainly do agree with him that there have been many unemployed people awaiting its passage with some degree of interest, and it is useful to know that in fact members of the opposition will now accord it the proper treatment which we had suggested earlier on.

As far as the participants are concerned, in terms of community service projects the total number of participants estimated this year is 1,100.

Mr. Hawkes: I am pleased to know that there are 1,100 participants, but my question was how many man-weeks of employment are involved in the current fiscal year, and what is the dollar cost per week of employment for this community services program?

Mr. Axworthy: Mr. Chairman, as I pointed out to the hon. member before, the measurement we use to determine the nature of the program is participants. The other form of measurement he uses is not one we apply, and therefore we cannot give him an answer.

Mr. Hawkes: Mr. Chairman, let us go to the bill before us, the employment tax credit bill. Could the minister indicate to us—and we will try to keep the questions simple and perhaps

work up to something a little more complex—the average cost per week of the employment tax credit program?

Mr. Axworthy: Mr. Chairman, I think we gave the hon. member answers to that question before, but we estimated that the average cost for the place or position created by tax credit is about $3,300 to $3,500. It is difficult to estimate because sometimes there are different numbers of weeks applied to the program. They do not all operate on a 12-month basis. There is some variance, but that is about the average cost of the program over all.

Mr. Hawkes: Mr. Chairman, perhaps we could narrow it down, but what is the cost to the government of the employment tax credit program per participant per week?

Mr. Axworthy: Mr. Chairman, about $65.

Mr. Hawkes: We have a number of $65 for the employment tax credit program. Could the minister indicate why we do not have a similar cost per week per participant for the community services program?

Mr. Axworthy: Because, Mr. Chairman, at this point in time the program is not in effect, and we can only use judgmental factors. Until the program actually has some operational time in which to see how it is working, we cannot provide that measurement.

Mr. Hawkes: Could the minister tell us, in terms of the community services program, on what basis he is going to determine the wage rate that people who work under that program will get, and what portion of that wage rate will the federal government pay? Could someone be paid $5,000 a week under that program, or is there a maximum or a minimum? There is no sense of average, obviously, but could he give us some of the parameters of the cost per week per employee for the community services program?

Mr. Axworthy: Mr. Chairman, as I pointed out when we announced the program, the basis upon which the salaries will be paid is that the federal government contribution would be related to the minimum wage paid in respect of provinces, with some discretion in the program to add to that. However, that does not necessarily relate to the total wage which would be paid to the participant because organizations would have the capacity to top up those salaries if they so desire.

Mr. Hawkes: Mr. Chairman, there is a much larger program which the minister announced costing $72 million, which is getting into the neighbourhood of the cost of the employment tax credit program. On the $72 million program, the community development program, does the minister have an estimate of the cost per week per employee of the community development program?

Mr. Axworthy: Mr. Chairman, as I pointed out in a similar answer, the program is not yet operative. We have estimated what the cost might be in terms of participants on the basis of a fiscal year of the government, and that is the measurement we will use. Again, until we have some operational criteria or data, it is difficult to pinpoint that. The same formula will be used in terms of using the minimum wage as the base line for the cost of each participant in the program, but with an ability to add approximately an additional 20 per cent, depending on the nature of the project, the skills involved and so forth; so there are a number of variables involved. We can actually pinpoint that, and we will be glad to provide that information once we have some experience with the program.

Mr. Hawkes: Mr. Chairman, can the minister give us an estimate of the number of participants in the community development program?

Mr. Axworthy: We are estimating about 20,000 participants this year.

Mr. Hawkes: Mr. Chairman, the budget figure is $72 million and the minister is estimating 20,000 participants. Somehow there must be some relationship between the number of people who participate and the dollar cost. How did the minister arrive at the estimate of $72 million and/or how did the minister arrive at the estimate of 20,000 participants? Can 20,000 people be hired for $72 million and, if so, what is the cost per week?

Mr. Axworthy: Mr. Chairman, the allocation was based on what kind of money we thought we would be able to put together as a consequence of the estimates which had been established for spending programs or guidelines which were already in place. Needless to say, we would have liked to have provided a great deal more, but those were the parameters within which we worked. The estimate of participants is, of course, related to the estimate of the total sum of money available but, as I pointed out, there are variations.

At this stage in time when we are simply preparing the actual operational features of the program, which we hope to be active by this fall, it is difficult to make any clear estimates because we are putting the program into effect. Until we are actually able to put the machinery into motion, we will not be able to give a clear estimate, but I think 20,000 is the basis for subdividing now the money we will have available in this fiscal year.

• (1550)

I should point out to the hon. member that he made a substantial misjudgment in one of his earlier statements when he did his own division work and did not take into account the fact that, because many of these jobs are committed for the fiscal year 1981 and go into the next fiscal year, we have to put money aside to make sure that we can fulfil our commitments. So it does range over into the next fiscal year when we sign agreements under the community development program.

Mr. Hawkes: Mr. Chairman, now I am becoming confused. Can we go right back to basics? Is the minister spending $137 million this year to create the employment program which he announced in the House? Is that $137 million to be spent this

year or is he telling us now that it is an expenditure which ranges over more than one fiscal year?

Mr. Axworthy: Mr. Chairman, the hon. member will obviously be able to understand that if we are putting a program into place beginning this fall but which has the ability to work for a year or, in the case of the community services program, over a three-year period, we obviously must be prepared to commit ourselves to spend that money to create that situation. So we are spending $137 million in this fiscal year in terms of the commitments that we are prepared to make in job creation. In many of those cases those positions will run over beyond the end of the fiscal year in April for 1981-82, so obviously we must have the money because it has already been committed to be spent. But the positions will be created.

Mr. Hawkes: Let us stay right here, Mr. Chairman. The amount of $72 million is budgeted for the community development program which is the three-year program to which the minister refers.

Mr. Axworthy: It is a one-year program.

Mr. Hawkes: Okay, a one year program. Let us stay with the community development program which is a one-year program. Does one year mean 12 months, and therefore the $72 million will be spread over two fiscal years and, if so, in what proportion? Or does the minister intend to spend $72 million in this fiscal year?

Mr. Axworthy: As we explained to the hon. member several times, it may be for a year or it may not be for a year. It depends on the applications we receive from the various sponsoring groups. The minimum requirement for job creation under the program is eight weeks. It may go for 25 weeks, for 40 weeks, or even beyond that.

The fact of the matter is that the community development program, in terms of its initial outline, was to be a program that could run for a year, and if the program had merit it could go beyond a year, but that would require further negotiation and application. But the minimum requirement under the program is for an eight-week employment package. Anything between that is available. However, the program was late getting started because of the election and the change in government. Since there were no direct job-creation programs available for us to use because they had all been cancelled, the program will not be started until this fall. Therefore, if a sponsor puts in an application to create employment for a full year period and the program does not get started until November, by simple mathematics it will obviously carry over until the next fiscal year.

Mr. Hawkes: Does the minister have any kind of estimate of how much of the $72 million will be spent in this fiscal year and how much will be spent in subsequent fiscal years?

Mr. Axworthy: I will answer the same question but perhaps in a different way to try to expand the explanation further. The money is being committed this year for all those jobs. I think the hon. member would recognize that it would be highly irresponsible for us to invite people to apply for jobs and then not have the money to pay for them. But at this point, until we actually have the applications in our hands, we cannot determine what the full length of those job tenures will be under the community development program. So the $72 million which we are committing this year is for jobs which will be started this year. They will be in effect and in operation this year. They may carry over into the next fiscal year, but we have to keep paying the salaries regardless.

Mr. Hawkes: So there is an indeterminate portion of the $72 million which will be spent this year and an indeterminate portion which will be spent next year.

Let us go back for a second to the community services program which is the minister's three year program. The amount announced to this House for this program was $11 million. Does the minister have an estimate of the proportion of that $11 million which will create jobs for this fiscal year, the proportion for next year and the proportion for the third year?

Mr. Axworthy: Again, the $11 million is committed for actual positions that will be created this year.

Mr. Hawkes: So for the community services program we have $11 million for this year, and for the community development program we have $72 million, some portion of it to be used this year and some portion next year. Let us run through the other parts of the $137 million. There is the local economic development assistance which, it was announced to the House, would cost $3 million. What portion of that sum will create jobs this year?

Mr. Axworthy: The hon. member might want to refer back to my statement. He will recognize that the local economic development program is a pilot project and its major objective is long-term job creation, enabling communities to establish a firm economic base in the community so that the jobs created will not be of a short-term nature and have to be renewed.

Economic factors will be taken into account to allow small businesses to develop. Under that program what we are offering to a number of pilot projects, most of which we hope will be established over the summer and the fall of this year, is front end money for organizational work, marketing work, developmental work, and the establishment of a corporate structure in these communities. Then, if they are operative by that time, the rest of the funds will be available for equity financing. But no one could begin to speculate on how quickly that will happen or how many actual jobs will be created out of it. The objective of that program, as I explained in the House, is to be an innovative program which attempts to develop longer-term assistance to communities where there are not many employment prospects but where, with government assistance, they might be able to organize themselves. So I cannot give the hon. member an actual estimate of jobs at this time until the program comes into operation.

Mr. Hawkes: The next program is the new technology program at $7 million. Is all of it to be spent this year or part of it next year?

Mr. Axworthy: Again, it is committed for this year.

Mr. Hawkes: How about the program for the disadvantaged people at $15 million?

Mr. Axworthy: As I explained in my statement to the House, that $15 million was set aside in our budget for a new program dealing with the disadvantaged people. There are no employees as yet because we are still working on it. We hope to be able to bring in legislation, if necessary, this fall to provide that kind of incentive to the private sector to hire severely disadvantaged people. So the $15 million at this point is just a reserve in our budget until we are able to arrive at the details of that program.

Mr. Hawkes: The next program is the native training program at $10 million. Is it all to be spent this year or will some be spent next year?

Mr. Axworthy: This year, Mr. Chairman.

Mr. Hawkes: The next one is the critical skills training program at $10 million.

Mr. Axworthy: It will be spent this year, Mr. Chairman.

Mr. Hawkes: The next one is the non-traditional training for women at $2 million.

Mr. Axworthy: It is for this year, Mr. Chairman.

Mr. Hawkes: The next one is the language training for refugees at $7 million.

Mr. Axworthy: It is for this year, Mr. Chairman.

Mr. Hawkes: Thank you, Mr. Chairman.

Let us come back to the community services program. The minister has told us the following facts about it, that there is an $11 million budget which will be spent this year. I believe the original announcement was that there would be 1,000 participants. If those 1,000 participants participate for the length of time available to them this year—I think it has the starting date of October 1 and the fiscal year ends on March 31—if one does a little rough calculation, it comes to 26 weeks of employment for 1,000 people at $11 million; and the cost of that job-creation program comes to $423 worth of taxpayers' money each week. Can the minister confirm those mathematics?

Mr. Axworthy: Mr. Chairman, I did not hear those mathematics.

Mr. Hawkes: I will be only too happy to repeat them in the hope they might stick. The minister has announced a budget of $11 million. He has confirmed in this House today that that $11 million is to be spent this year. The starting date of the program is October 1. If we are talking about this fiscal year, which the minister has confirmed, then the program would terminate March 31. If those 1,000 people work in that entire 26-week period, then the cost will be $423 per week. If any of them work a shorter period of time, the cost would go up. In the case of the community services program, we are talking about a cost to taxpayers of $423 per week per job. Are those mathematics correct?

• (1600)

Mr. Axworthy: Again, Mr. Chairman, I should like to correct the hon. member's mathematics. I think he is a much better sociologist than a mathematician. As I explained earlier, a commitment is made this year of $11 million. It is made to projects to pay for the estimated 1,000 participants. They will be given the funds to use, but those jobs may carry over into the next fiscal year. Therefore, that is the basis upon which he should add in several additional weeks; it will substantially lower the cost per week.

Mr. Hawkes: Mr. Chairman, this is becoming extremely difficult. In the beginning we went very slowly. We went through every program. We asked the minister whether the budget would be spent this year or spread over two years. I think the *Hansard* record will show very clearly that the minister corrected me in terms of the community services program. He indicated that the entire $11 million for employment creation would be spent in this fiscal year for that program. Using the minister's own figures, the mathematics of the situation come to $423. Surely it is a simple calculation.

This line of questioning began with an attempt to ascertain the number of man-weeks of employment created and the cost per week. Those figures are in the bill before us. I suggest it is completely irresponsible to propose any employment-creation program without some estimate of the cost per week per job. Surely the minister or his department has those figures. He has one of the largest research departments and perhaps the largest budget in government for this purpose. We cannot continue to have it both ways. Either the $11 million is spent this year or not. If it is, the cost per week is $423 minimum, and it may be more.

Mr. Axworthy: Mr. Chairman, I would not want to disabuse the hon. member of his own opinions, but I suggest that he should re-examine his calculations. We indicated to him that our form of measurement, which I think is a responsible one, was to take a sum of money and subdivide it in terms of what we think will be the potential pay-out per participant. We have indicated that we estimate there will be some 1,100 participants. He insists upon using only that portion of time remaining within this fiscal year. I have indicated that it could extend beyond this fiscal year, even though the moneys are advanced this year to pay for the project.

I think it is a reasonably simple concept to understand because the work has been created this year. If it is a 12-month program, obviously it will extend beyond April. Therefore, the money is in the project to pay for the continua-

tion of that work. Then we will renew it and bring in another level of programs in the following fiscal year. The hon. member can redo his calculations based upon that if he wants, but he cannot estimate it because we do not have the evidence in front of us since the program obviously is not in place yet. We can do it more easily with the tax credit program because we have the experience of that program to base it upon. It is simply a continuation of an existing program as opposed to a new program. Therefore, obviously the range of figures is somewhat different.

Mr. Blackburn: Mr. Chairman, first of all I have a couple of statements to make before I begin to question the minister in a more specific manner. I have some concerns about Bill C-19 to amend the Employment Tax Credit Act, along with other measures the minister announced a couple of weeks ago to create new jobs to try to reduce unemployment in the country, which is reaching critical proportions, even though in my judgment most of the jobs created will be of a short-term nature. It is a make-work, kind of patchwork approach to employment in the country from which a very large segment of our work force has been suffering throughout the entire Liberal period of the 1970s. A major national industrial strategy has not been established to look at the total employment problem in the country. It should be put into place so that people are not entering, re-entering, moving into and removing themselves from the work force in a patchwork manner year in and year out, as we have seen in the past decade.

We on this side of the House, particularly in the New Democratic Party, hoped that the new minister, as young and vigorous as he is, would have brought in new and vigorous policies to cope with this patchwork approach about which his predecessors were complacent.

Mr. Axworthy: Aging rapidly.

Mr. Blackburn: I said the minister was young and vigorous; I presume he is. Anyway, he is a little younger than I.

In the short time allotted to me this afternoon, I should like to focus more specifically on one of the cruelest and saddest aspects of unemployment and on the almost total failure of job creation either through tax credits or other mechanisms. Of course, I am referring to 300,000 native North Americans, our Indian population, whether or not they live on reserves.

I think it was yesterday that a booklet came out entitled: "Indian Conditions—A Survey". I have not read the entire report. I have not had a chance; it just came to my attention a few hours ago. Under the heading "Economic Conditions—labour force/employment" at page 59, it reads as follows:

> Recent estimates of Indian unemployment have ranged from 35 to 75 per cent of the labour force (proportion of working-age population—15-64 years—employed or actively seeking work). These estimates vary in part because of the absence of reliable surveys but largely because of varying assumptions about the labour force participation rate.
>
> There are a number of surveys suggesting that Indian labour force participation is about 40 per cent and employment rates about 32 per cent of the working-age population, compared to about 60 per cent and 56 per cent for the national population. Based on this information, Indian unemployment would be over 18 per cent compared to 8 per cent of the national labour force.

As we all know, there are some reserves or some pockets of Indian unemployment in the country which range as high as 70 per cent to 75 per cent to 80 per cent, yet the minister announced a $10 million program known as the native training program. I will deal with the tax credit aspect of this a little later, but when we consider that this is all the funding that we at the federal level can give to one of the most tragic areas of unemployment, it is not only revolting but disgusting.

I should like to know just how many jobs will be created. How many meaningful, long-term, skilled and semi-skilled jobs will be created? We must consider that there are thousands upon thousands of native North Americans out of work in this country who, through no fault of their own, are badly educated, undereducated or non-educated. How many of these people will find meaningful employment through the native training program? I will allow the minister to try to answer that question when I am finished.

● (1610)

I do not honestly think that the minister has the answer. Nor do I suggest for one moment that he has the money, because $10 million will go nowhere, as far as I am concerned, in creating permanent, long-term, meaningful jobs for our native North Americans. I am not just speaking for my constituency and the unemployed in the county of Brant in southwestern Ontario; I am speaking for all the unemployed in Canada, particularly the unemployed native North Americans. The Six Nations Mohawk Indian reserve can be found in Brant county. On that reserve there is some industry. But compared to smaller municipalities within the constituency, such as Paris, St. George and particularly the city of Brantford, economic activity on the reserve, except for agriculture, is almost non-existent. There may be a service station at a crossroads, a small restaurant or a pottery operation, but as far as industry is concerned, it is virtually non-existent. As a result, it is very difficult to find jobs on the reserves, particularly for the young people who are entering the work force.

In what way will the minister's tax credit program assist native employment and create jobs for native North Americans who live on reserves if virtually every impediment or obstacle is placed in the path of entrepreneurs or would-be entrepreneurs on reserves who cannot establish themselves in business in the first place? We can talk all we want about the tax credit for the creation of jobs, but if we do not have businessmen and women establishing businesses on Indian reserves in the first place, then how will this help in a positive way native North Americans living on reserves? That is my second question to the minister.

Does the minister have any solution? When will he get the FBDB off its backside and working in the interests of young Indians or, for that matter, middle-aged Indians on reserves to create viable corporations, companies, partnerships or private companies on reserves? This would create a healthier climate of business activity and employment activity so that younger and middle-aged native North Americans do not have to leave the reserve and enter the almost alien environment of large

cities, where they in many cases fall by the wayside, end up without jobs, on welfare, or in the courts, suffering from alcoholism, drug abuse and so on. These are very serious matters.

I am, as I am sure is my party, terribly disappointed at the lack of understanding on the part of the government of the very legitimate needs of native North Americans, whether they live on or off the reserve, with respect to job creation and business enterprise. These two areas must go together in order that we may, first of all, make the reserves more viable economically, and secondly, but just as important, that we may make the reserves better areas of employment. This is what our native North Americans want. They do not want handouts; they want the same kind of entitlement and financial assistance which non-native North Americans are receiving off reserves in large and small communities.

I come back once again to this deplorably small sum of $10 million which is allocated to train natives. I have a third question which I would like to ask of the minister. What will the natives who are trained under this native training program be trained for? Are they being trained to be mechanics in the city of Toronto, or skilled workers in Vancouver, or are they being trained in native skills for native industry which should be developing and, indeed, mushrooming on reserves?

I am not saying that Indians should be held on the reserves or that they should be forced to live on the reserves and be limited to searching for jobs in reserve related economic activities. I am saying that they should have the choice. If the native North Americans wish to remain on the reserves, then the government should make every effort to promote industry, large or small, such as native crafts, non-native crafts, or any kind of entrepreneurial enterprise, so that the natives may be trained in their own skills, if need be, or other skills.

I am very dissatisfied with the government's total package, both in terms of what the minister announced a couple of weeks ago with respect to the native training program and with respect to the tax credit bill which we are discussing in Committee of the Whole this afternoon. Despite the $10 million which the minister is touting as a breakthrough in native North American training, I see virtually nothing in Bill C-19.

I have asked the minister several substantive questions. I shall not take up my full 20 minutes, but I anticipate that the minister will provide me with some substantive answers. I do not want the kind of answer in which he rattles on with a lot of figures, percentages, man-hours per year or woman-hours per year and so on. I want the minister to present his fundamental philosophy with respect to job creation and business development on Indian reserves and his basic philosophical approach to the very serious unemployment problems facing native people in Canada. What is his government prepared to do in a substantive way to alleviate these problems? Many of them are economic or material in origin. To what extent is the minister prepared to commit the government financially, over and beyond the $10 million for this fiscal year, so that we can begin at last to embark on a long-range, upgrading, retraining or training program for native North Americans, whether they be on or off the reserve, in conjunction with the development of industry, whether it be native craft or non-native craft industries on reserves.

I have posed at least half a dozen questions. I ask the minister to open up to this House and tell us what he really believes this legislation will and will not do. Will the minister commit himself in this House to going beyond the $10 million when it is financially possible—I hope that will be as soon as possible—so that we may finally put to an end the situation which exists on reserves or, at least, we can begin to see the end of the mass poverty and depression from which our native North Americans have suffered. This suffering is due primarily not only to the federal government's lack of compassion as shown through its pocketbook, but to its lack of compassion and understanding of the problems which face native North Americans in Canada.

Mr. Axworthy: Mr. Chairman, I agree with some of the assessments made by the hon. member. There is no doubt that the condition of native people in this country is serious. I had an opportunity to begin reading the report mentioned by the hon. member just last night. It details many of the ongoing and continuing problems which native people face.

However, it would be wrong for the hon. member to state in this House, and I wish to correct the record, that the only program of the government is the $10 million native training program. This program is in addition to many other programs which are already in operation. If I may take a moment, I will outline those programs. For example, in my own department with regard to employment, we have the LEAP program which has a budget of over $70 million for this year, of which $30 million to $40 million is allocated to native employment programs throughout Canada. It is one of the most successful employment programs the federal government has introduced, and provides long-term employment and economic development for a great number of status and non-status communities in Canada. A large proportion of that money is allocated to development work among the native people.

● (1620)

In addition, my department has Outreach, the special employment counselling program where 40 per cent of the nearly $10 million budget is spent on enabling native people to develop their own employment services in order to help bring people into the work force. Within the training program that $10 million is simply a special increment. We spend well over $800 million on a wide variety of training programs in which the native people participate to a degree greater than the percentage they represent of the total population. Last year close to 10,800 native people were added to training programs across Canada. I do not say that is enough as, of course, there is never enough. In the department we do not speak of expenditures of $10 million but expenditures of well over $100 million, and perhaps beyond that, on training and job creation for native people.

There are also major commitments under the regional economic expansion programs. The Northlands agreements which are in place in Manitoba, Saskatchewan, parts of Alberta and the Northwest Territories have introduced major work programs for native people. Manitoba has spent close to $26 million per year under its Northlands agreement which is almost entirely allocated to economic development programs for native people. This is the case in the other provinces as well, so DREE has a major commitment to economic development for native people.

The Department of Indian Affairs and Northern Development has also set funds aside, not only for support of the reserves but also for capital investment and economic development within the reserve structure.

A number of programs are available, but perhaps they have not been co-ordinated or focused on specific problems. We may need to take a different strategic approach to the problem. Perhaps it would be a good idea to consolidate the programs and concentrate large amounts of capital on specific economic development areas.

Two years ago the federal cabinet set up a consultative committee which has been meeting with the provinces and native organizations to develop new economic development approaches. I believe it is close to developing certain ideas which this government will implement.

Progress has been made in a number of areas but it cannot be expected that hundreds of years of abuse, grievance and neglect will be corrected in two, three or five years. It is necessary that this House agree that this is the number one priority for Canada. If that is agreed, then perhaps it is worth debating whether there should be a full-scale mobilization of our resources in that area. However, that would be telling other groups—young people and women, for example—that money cannot be put into their employment or economic development program. There is a wide variety of competing interests and groups which feel they have the right to special consideration, but with reasonably scarce resources and budgets, it is impossible to satisfy all needs at the same time.

I think the hon. member's sentiments are correct and his assessment of the condition of native people is accurate. It is something that I share but I think we need more dialogue about how to make use of resources in excess of $10 million—perhaps in terms of hundreds of millions of dollars. If we commit more resources to these programs, are we prepared to withdraw them from other people or interests? That is a topic which is worthy of debate but I would say this is not the time or place for that debate. It should be given more time than is available for debate on this bill.

I should like to say to the hon. member that I would welcome his comments when my estimates come before the committee. Also, his colleague, the hon. member for Winnipeg North, is a member of a task force assigned to examine the new employment opportunities and demands for the next decade and ways in which the government should respond to them. I believe they will begin hearings shortly. Parliamentarians and interest groups may appear before them and I welcome their contributions so that we may have the benefit of their experience with this very critical problem. It is precisely to deal with this problem that the task force was established. For the same reason the department is undertaking an evaluation of its programs in order to ensure that they meet the severe and special needs which exist in the country. My department hopes to present a paper to Parliament in the late fall or early next year. I hope we can then have a full-scale debate on the questions which the hon. member has raised.

The Assistant Deputy Chairman: Order, please. I am sorry to have to advise the hon. member for Brant that his time has expired. Before I recognize the hon. member for Calgary West again, I have to see other hon. members who are seeking the floor. The hon. member for Kootenay East-Revelstoke.

Mr. Parker: Mr. Chairman, I welcome the opportunity to take part in this debate on Bill C-19, to amend the employment tax credit program. I should like to refer to the minister's comments regarding LEAP funds and the Outreach program. These have been very effective in my area but when I have contacted the minister's office I have been advised that funds for my area have been depleted and that the program cannot continue. That is a very sad thing for a place like Golden where there is no Canada Manpower office. Ten or twelve volunteers must work with one Outreach applicant to help them get employment. I think that such a program should take preference over a tax credit program. I should like to hear the minister's comments on this matter, first of all.

Mr. Axworthy: Mr. Chairman, the hon. member's remarks confirm the success of the LEAP and Outreach programs. I regret that the funds for his province have already been committed but we have to work within budgetary limits. It must be recognized too that the spending estimates have been established by previous governments and that this government must live within those parameters. I would be prepared, however, to see whether the funding available to the British Columbia region specifically has been fully committed.

I would point out also that I have held commitments to the Outreach program in reserve, in part because I wanted to see whether there was a fair allocation of funds to other constituent groups such as women's organizations and handicapped groups. Some money may possibly be left in that part of the program.

I am not sure whether funds for the LEAP program for the hon. member's region have all been spent. The budget for this year was close to $70 million, which was a substantial increase over 1978-79 when I believe the budget was $5.8 million. If the member thinks this is a successful program, then we will examine it carefully when we make our forecast for next year.

Mr. Parker: Referring now to the tax credit program, Mr. Chairman, last week I presented the Minister of Communications with a petition listing 10,000 names protesting cutbacks in employment and the movement of telephone workers into other areas.

The government has spent a great deal of taxpayers' money putting satellites into the sky in order to bring about better communications. Business enterprises are making use of those instruments and I really do not have any reservations about that. But when it comes to a large company changing their administration in order to reduce the number of their employees and using the funds for other purposes than providing an approved service, then I am concerned.

● (1630)

I will recap what has happened in the past. I worked for the railway. In the 1950s the railway put in an application to do away with their firemen. I do not know if hon. members remember the issue; it was a hot issue across Canada. The firemen were forced back to work and the company was allowed to phase out the employment of the firemen. The words used were "phase out". They did not phase them out fast enough, and after a certain period of time the railway company came forward and tried to buy some of them out. In fact, some of them were bought out. The company literally paid the firemen to leave their jobs and to go elsewhere.

As we got into the 1970s, the railway needed railway engineers. The railway had no firemen who could become engineers. Instead, the railway started to train people from other classifications to become engineers. To my understanding, the railway was given funding to help train and create the engineer's position. Those are the kinds of programs in which we have been involved.

In July of last year the railway was given the opportunity of reducing the numbers of tail end brakemen. In my area, this is a very serious issue. Without the tail end brakemen, the railway has been allowed to increase the length of its trains. Tonnage is reaching exorbitant heights. We have railway conductors who have worked for 15 years and taken a reduction in salary of $100 per month. They went back to work as brakemen and now we are faced with the situation where we will have to start training other classifications.

With the tax credit program, such as the minister is bringing forward, are we going to allow companies of this size to be able to change their mode of transportation and come to the government for assistance to help train workers for other programs? I resent those kinds of programs taking place when large companies like that are allowed to phase out employees, especially when we have almost one million people unemployed in Canada.

I want to say to the government that we should be standing up to these companies and telling them that this is not the time to start reducing manpower unless it can be shown there is loss of revenue and a loss in the cutback in services.

I am not happy with the tax credit program that is being presented to this House. I think there are other ways of bringing about employment programs which will help to alleviate unemployment. I will be speaking on the unemployment bill later on, so I will leave it at that.

Employment Tax Credit Act

Mr. Siddon: Mr. Chairman, a couple of weeks ago, I believe it was June 11, when we were debating Bill C-19 in Committee of the Whole, I had just begun my remarks leading up to questions for the minister. I am pleased to be able to continue that intervention now.

I think the concern which the minister has been hearing from this side of the House is that, while the initiative of the extension of the employment tax credit measure is admirable and will be supported, at least by this party, we are genuinely concerned that real jobs will not be a long-term product of this legislation, particularly jobs and opportunities for young people.

This afternoon I want to hone in on a special category of jobs. These are jobs relating to the mushrooming demands that will be placed on our society by the energy developments of the 1980s. These are jobs in the high technology areas in particular. It is a fact that the unemployment rate among our young people is almost twice the national average. We will be requiring for every multi-billion dollar oil sands plant, heavy oils, coal or nuclear installation, thousands of skilled people, and young people. These young people are the ones who are coming up now through our high schools and junior schools. They will have to be trained with many specialized skills.

The solution to that problem is not merely going to involve government largesse, money and programs; it will have to be one involving attitude and long-range planning. We have to provide new types of incentive to technical training. As my colleague—the hon. member for Prince George-Peace River indicated a week or two ago, we have to start looking at the European model for vocational training. We have to look at the notion of having our young people study one day a week at a technical school while working four days a week at a plant side in industry developing on-the-job skills. This kind of thing will only come from a close relationship between the classroom and the work place environment. We will be requiring thousands upon thousands of young people to be trained as civil, electrical, and mechanical engineers. We will need physicists, heavy equipment operators, controllers, computer programmers, instrument mechanics and electronic technicians. This will be a special type of demand upon our society which will represent a change from the traditional pattern. It is no longer a time, I submit, for task forces, committees, further studies and reviews.

I hope the minister will tell us that the studies have been done within his department and that he is prepared now to implement the action required to deal with tremendous anomaly which will develop in Canada over the next ten years. Otherwise we could end up with the situation, as we once had, of importing large numbers of skilled and semi-skilled people from other countries to fill the demand when we suddenly have to fire up our steel and pipe mills and deal with heavy equipment for the purpose of removing overburden and mining coal in large quantities. We will need a large number of specially trained young people to meet the demands of the next decade. Therefore, I think the objectives of the employment tax credit program are not likely to provide the permanent jobs

and skills that will be required to meet the special challenge of the 1980s.

A couple of weeks ago, speaking in Committee of the Whole, the Minister of Employment and Immigration said that he had no crystal ball. At page 1999 of *Hansard* the minister stated that his best forecast was the forecast of 8 per cent unemployment for next year, but he would not predict beyond that. He said:

I am not going to vault myself into crystal balling into 1983, 1984 or 1985.

The theme of what I am trying to say is that the minister must begin to plan, at least to 1985 and preferably to 1990, because our future development and security as a nation depends on our ability to harness our own energy resources and to develop energy related industries. Those demands will be inescapable if we are going to develop that tremendous resource potential that we have at our doorstep.

Alternatively, are we going to continue to incur deficits and court national bankruptcy to the detriment of our children by increasing our imports of foreign sources of energy, paying heavy subsidy costs to foreign governments and industries so that they might develop their own economies and provide employment for their people in the 1980s while massive numbers of young Canadians remain unemployed? Canada must be self-sufficient in energy by 1990. We can be if we use a little foresight and long-range planning instead of being short-sighted and politically opportunistic. We have to plan a long way down the road.

What do we need? What am I talking about? I think the minister has heard some of these suggestions before but I would like to state them again for emphasis. We need increased financial assistance for our universities. The minister, having come from an university environment, as have some others in this House, will appreciate the importance of additional financial assistance for universities. This assistance should be not merely in terms of more opportunities for research, but more support for classrooms, laboratories, equipment, and more capital assistance for the programs which the universities are going to need to mount in order to train these young people all across Canada. This opportunity will not merely reside in Alberta or British Columbia, but will develop all across Canada if the minister and the federal government provide some guidance in the planning and design of these programs. We have to provide capital funding for universities, trade schools and technical colleges. It is fair to suggest the federal government must accept some leadership, if not financial responsibility, in this matter.

● (1640)

We must provide financial incentives to keep young people in school. I was a product of the Canadian educational system, as were most members here. I was a product of Canadian graduate school programs, as was perhaps the minister and others. I know how difficult it is to attract graduate students to stay within Canadian universities. Perhaps it was because of our experience within the university environment—and this goes for the Minister of Employment and Immigration as well as his adversary, my colleague from Calgary West—the atmosphere in Canadian universities in the seventies, which brought us to this hallowed institution to practice this exercise of politics because of the frustrations we experienced in university.

At a time when the federal government was spending more and more in excess of its revenues by way of deficit and giving less and less to universities, in particular to faculty members and their graduate students, as well as meeting requirements for the purchase of equipment and apparatus, the government which gave less and less to supporting the basic underpinnings of our technological development as a nation was willing to spend profusely large amounts of money, wastefully, on alphabet soup programs and the like. Perhaps that is why some of us are in this House of Commons today. It is high time, and I hope the minister will respond, that the federal government exercised some leadership in these areas.

We have to provide more encouragement within the university environment. We have to make it worth while for professors to stay in universities and not enter politics, as well as for their students to stay in universities and obtain masters or perhaps doctoral degrees to enhance our centres of educational excellence all across Canada. If that had been occurring over the past ten years, perhaps I would not need to be here today making these comments.

It is very important that we recognize the support required for our educational system in all of our universities and trade schools. In addition, it is important that we recognize the shared responsibilities of labour and management to allow on-the-job training in technical and vocational schools. I wish the minister were listening. It is time we had a co-operative program which allowed our young people to be employed and learn at the same time; one day in school, four days in the work place, and not at union wage scales. The unions will also have to make compromises here and accept that these massive numbers of young people which we will need to support our energy-related industries, will have to be given opportunities to learn on the job and develop essential skills.

Coming to the point, I wish to ask the minister if it is expected by the year 1990 to have to resort to importing these very essential skills from the United States, Germany, Great Britain, Switzerland, France and many other countries, when we have the potential skills here. We have the young people, the resources and the opportunities. Will the minister tell us—because I expect he will be in his present position for a year or two at least—how he is going to plan to put this country on the right course in providing opportunities for young people?

If that has something to do with his new technology employment program, I hope this afternoon he will give some explanation to the people of Canada, particularly the young people, for whom we must all be very concerned.

Mr. Axworthy: Mr. Chairman, the hon. member raises some all-encompassing questions. It taxes one's imagination to respond to them as fully as one would like. I would say to him that any limitations I might have in providing some deeply

committed plan could be greatly alleviated if members would allow me to get out of the House so that I could have some time to do that. He might suggest to his colleagues, as one answer to one of the questions he poses, they allow the minister to go back and do the job he is suggesting we do. However, I want to give him some assurances within these areas. First, some things are taking place, and second, some things are in motion.

As the hon. member knows, the federal government already spends over $800 million on training programs. We are the largest educators in Canada. However, we are limited in the expenditure of that money to joint agreements with the provinces. The provinces have clear jurisdiction over education. We do buy a substantial number of places within community colleges and vocational schools, but that has to be based upon the agreement of the provinces themselves. The curricula established in those colleges are very much under provincial control. We are in a position where we have to renegotiate all the training agreements under the Occupational Training Act with the provinces in the next year or so.

The preliminary meetings I have had with provincial ministers indicate to me that they are prepared to start shifting substantial amounts of money into the industrial training area. We will be negotiating over the next several months how that can take place. Beyond that, I would point out to the hon. member that we do have the so-called critical skills training program which is designed to do on-the-job, on-site training. We did add an additional $10 million this year under our job creation package to bring the total expenditure in that area up to $30 million.

I would also like to tell the hon. member, because he did ask the question last time, that we are aware of the tremendous human resource requirement in the energy industry. I would report to him that I met with senior officials of the oil companies in Calgary last week where we discussed what their manpower or personpower requirements are. We have begun to take steps to do some joint planning in those kinds of areas.

The hon. member should recognize as someone interested in this area that the energy industry itself has been very negligent in its own planning for manpower requirements. Private industry in Canada has been accustomed to supplying its skilled needs by offshore recruitment. We are providing much tougher requirements now. If they want to bring people from offshore, they must also train people as part of the program. We are insisting upon that in a very direct way. Really what is required now is much closer co-operation between ourselves, industry and the unions to make sure we have those skills flowing through. Industry itself is now coming to a recognition of that fact. However, they have had it easy. We have all had it easy.

The hon. member properly identifies—and this is undoubtedly one of the critical issues of the eighties—that many major resource projects will not go ahead if we do not have the people in place or the skills necessary to make it happen. The great paradox on which he properly puts his finger is that we have increasing demands for new skills in the energy and resource areas, and at the same time we have a large pool of unemployment. The task of this government and industry will be to make the transition from that pool of unemployment to those job areas. That is something we identify. We hope to be able to borrow again from the experience of members of Parliament of the task force which has been established, which I hope will be able to pinpoint many of the difficulties and the solutions that we can use and utilize over the next years to come.

Mr. Rose: Mr. Chairman, I did not want to let this opportunity pass without having regard to some of the concerns that have been expressed to me about this whole matter of unemployment and what it is likely to be in the eighties. I sometimes wonder whether somebody up there did not like the minister when he gave him that particular job. If the projections are anywhere near accurate, in spite of all his task forces, band-aid programs and $10 million programs, there has to be a much more fundamental kind of approach to this whole problem or else we are going to be defeated in this one as we have in many others.

Let me just give the committee a few statistics. In 1946, about 25 per cent of the work force was employed in agriculture, but only 5.2 per cent were so employed in 1975. In the same year, 1946, mining and forestry employed 4 per cent of the work force. Many of those in my province were unemployed but if they were working it is probable that by 1975 they would be employing possibly 2.4 per cent of the work force. It is the number one industry in my province and yet in terms of the total contribution to the work picture across Canada it is a very small amount. It is a very serious situation.

• (1650)

Similarly, manufacturing shows a terrific drop over the last 20 years, from 26 per cent to 21 per cent. That is a very serious matter.

What is an even more serious matter than it appears to be—and it is aside from the one mentioned by the hon. member for Richmond-South Delta—is the one which concerns the ultimate future of the communications and telecommunications industry in this country. It appears there will be a great number of people unemployed. Formerly, as people were dropped from the agricultural, forestry and manufacturing industries, they found employment in the service sectors in the 1950s and 1960s. Nearly two million jobs were created between 1970 and 1979, mainly in the retail and trades services, and it is precisely those jobs which are now being threatened by the new micro-technological revolution we are embarking upon.

The Secretary of State and Minister of Communications appeared before the committee this morning and told us that he was deeply conscious of these problems. Perhaps he will take an interest—at least, I hope he will—in the task force having to do with new employment opportunities, because it is precisely in the field which he administers that the great shocks of unemployment are likely to come. All kinds of

problems will be associated with it, especially those affecting women.

My hon. friend from Kootenay East-Revelstoke mentioned the problems attached to the centralized and computerized chip switching which is going on in British Columbia right now in many of the smaller communities he represents. The problem there is that women operators are being put out of work by new forms of technology. Nobody wants to be a Luddite about these things; we are not trying to hold back the clock. But we certainly want to make sure that the benefits of technology are at least distributed equally among the population. The benefits should not all go to those who happen to be captains of industry favoured by a number of other things—the tax system, import duties, tariffs, various things like that.

What has happened with centralized switching is that these people are being offered an opportunity to be retrained; the women will mainly be retrained into the jobs that are going to disappear. If they are going to be retrained into jobs such as clerking jobs or retail freight jobs, that is not going to be helpful.

During the fifties and sixties, as I and others have pointed out, the service trades and retail trades expanded. But it is precise by the clerking and the service trades that are going to disappear with the new technology, technology that hooks the computer to the fiber optics cable or the coaxial cable, and ultimately to the word-processor which can not only write letters but can do all the filing and the retrieval of information from storage. So it seems to me we have to consider alternative ways of placing the employees concerned. The telecommunications workers anyway estimate that approximately a million and a half women in the eighties have jobs which are going to be displaced by the new technology.

Let me give an example of the benefits. In 1976 computerized switching was introduced into Vancouver. After that, 22 per cent of the operators jobs disappeared! Computerized switching was introduced into New Westminster shortly after that—I think around 1978-79. What happened then? Forty per cent of the operators disappeared from that kind of employment. It is not laughable. The minister is smiling but it is a very serious matter if you happen to be the one who loses his job. And the minister is the one at whose desk the buck will stop, because he will be charged with creating a great number of new jobs in the eighties if his efforts are not co-ordinated with a government policy that includes an industrial strategy.

When the minister appeared before the committee this morning he talked about the increase in manufacturing in the communications industry in Canada. I will give the House an interesting statistic. As far as telecommunications is concerned, our imports in 1956 amounted to 46 per cent of all telecommunications equipment we used. In 1976 we imported 76 per cent. What this proves conclusively is that our manufacturing sector in telecommunications is shrinking. If our manufacturing is shrinking, presumably our employment is shrinking in those very sectors. The picture is something less than rosy, if I may be excused a terrible pun.

It is not just this particular member who is making these predictions. I do not think the public is aware of the extent of these things at the moment but certainly the ministry must be. And the ministry must be prepared to move actively toward an industrial strategy which will take care of these predictably displaced people, some one and a half to two million people, mainly women, in the next decade. The president or chief executive officer of Northern Telecommunications—which can hardly be called a radical outfit and is not usually quoted by the New Democratic Party—Walter Light, who was speaking before an audience at Concordia University, was kind enough to send me a copy of his speech. He was speaking to a group of engineers and had this to say:

> Canada imports 80 per cent of all the technology that it uses.

That includes all technology, including telecommunications technology. This means that as an industrialized country we are only 21 per cent better in the creation of technology and innovation than any non-industrialized Third World country that is totally dependent on others for its technology. So there is no point telling us that we are going to create a lot of jobs in the eighties if we have an industrial strategy that ignores the amount of imports and does nothing to encourage domestic production while allowing a flood of things to come in here. The minister is wasting money on these little penny-ante programs if the government has no policy for an industrial strategy which favours Canadian manufacturing over imports. Apparently we have not.

I gave two figures; we used to import 46 per cent of our telecommunications equipment but we now import 76 per cent. The Secretary of State this morning told us we are going to increase that percentage. I hope he is right. He suggested this morning that he would like to encourage the manufacturing and export of Canadian-produced telecommunications equipment. I am saying that the experience of the last 20 years flies in his face. If he can reverse that—

Mr. Fox: I was not here then.

Mr. Rose: He says he was not here then. May I carry on with a quote from the same speaker? I see the clock, Mr. Chairman, but if you give me one minute, I can conclude my remarks.

• (1700)

The Assistant Deputy Chairman: Order, please. Unfortunately, I have to advise the hon. member that he cannot carry on.

Mr. Rose: You will hear it at eight.

The Assistant Deputy Chairman: It being five o'clock, it is my duty to rise, report progress, and request leave to consider the bill again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Administration of Justice—Dealing with grievances of RCMP officers; the hon. member for Calgary North (Mr. Wright)—Post Office—Deplorable mail conditions in Calgary—Steps to improve; the hon. member for Burnaby (Mr. Robinson)—Royal Canadian Mounted Police—Alleged supply of weapons and explosives to native community in B.C.

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

There being no items on the order paper under the heading private bills, the House will proceed to notices of motions (papers).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Blaker): Motion No. 19 in the name of the hon. member for Richmond-South Delta (Mr. Siddon). Shall the motion stand?

Some hon. Members: Stand.

SPECIAL INDEX FOR SENIOR CITIZENS

Mr. Les Benjamin (Regina West) moved:

That an order of the House do issue for a copy of a report on a special index for senior citizens prepared by the Treasury Board.

Mr. Daudlin: Mr. Speaker, I rise on a point of order. I do not want to pre-empt the hon. member from proceeding with his speech. I am sure there are matters he will in fact want to discuss. I just want all members of this House, and particularly the hon. member, to have the information which is available to me now.

Contrary to the answer given by myself in this House, I think some two weeks past, I think we have now been able to identify the report the hon. member has been seeking, and we are in a position to put that report forward. I want the hon. member to have that information before he makes his comments.

An hon. Member: Withdraw. Let's call it six o'clock.

Index for Senior Citizens

Mr. Daudlin: In the event that there is consent on all sides, I would have the document put forward.

Mr. Benjamin: In the first place, Mr. Speaker, that was not a point of order the hon. member raised, in my opinion. I knew earlier this day that the document we had asked for had been found. My hon. friend, the hon. member for Winnipeg North Centre (Mr. Knowles), asked for it last December 10. For the sake of the record I would like to give the House a little resumé of occurrences since December 10. As recorded at page 2186 of *Hansard*, the hon. member for Winnipeg North Centre said, and I quote—

The Acting Speaker (Mr. Blaker): Order, please. Just to be clear, the parliamentary secretary did rise on a point of order and, if I heard him correctly, I thought I heard him seeking unanimous consent in some manner which would have delayed the debate on this particular motion. I understand that in fact the hon. member for Regina West (Mr. Benjamin) is refusing unanimous consent and that private members' hour will proceed normally. Does the Chair understand the procedure we are following?

Mr. Knowles: He wants to speak to his motion.

Mr. Benjamin: Exactly.

The Acting Speaker (Mr. Blaker): Precisely. The hon. member now wishes to speak to his motion, so unanimous consent has been denied, and we will proceed in that manner.

Mr. Benjamin: Mr. Speaker, I did not even do that. I did not deny unanimous consent. I got up to speak to my motion. I did not hear the hon. member say he wanted to table anything.

May I continue with my motion for the production of papers, which have not yet been produced officially?

Mr. Daudlin: Mr. Speaker, I regret that my hon. friend did not understand or hear what it was I wanted to put forward. It is quite correct that the Chair heard me seeking unanimous consent to table a document which I understood was the document the hon. member was seeking. If he prefers not to give his consent or to delay that consent, so be it; but I do not want him to labour under the misapprehension that I was not seeking consent so to table.

The Acting Speaker (Mr. Blaker): The parliamentary secretary seeks unanimous consent to table the document to which he has referred. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Benjamin: Table it, fine.

Mr. Collenette: Mr. Speaker, what I think my colleague, the Parliamentary Secretary to the President of the Treasury Board (Mr. Daudlin), is getting at is that it has now been determined that the said document is available, and he is prepared to table it, which makes the debate for the next hour unnecessary.

If the hon. member for Regina West (Mr. Benjamin) prefers to speak anyway—and perhaps my colleague will table the document at the end of the debate—that is up to him. I think there is a way by which we can give hon. members an extra hour for dinner by tabling this document and by ending the debate. If that is done, I would be prepared to call it six o'clock.

Mr. Benjamin: Mr. Speaker, tabling it before or afterward evades a little matter in issue which has been apparent for a number of months. I could care less whether the parliamentary secretary tables it now, after I sit down or tomorrow. I do not know if he has the authority to do so. I think a cabinet minister would have to do that.

In any event, if I may continue, last December 10 the hon. member for Winnipeg North Centre said, and I quote:

As the President of the Treasury Board will recall—

It was then the hon. member for York-Peel (Mr. Stevens).

—in October I raised with the Prime Minister the question of a special index for senior citizens related to the things they have to buy. Outside the House that day the President of the Treasury Board said he would give serious consideration to that proposal. May I ask if any action has yet been taken on that?

The then president of the Treasury Board replied:

—I am pleased to reply to that question. I did follow it up and a report has been prepared. If the hon. member feels that it would be helpful, I could either deliver it to him personally for his consideration or I could table the report in the House.

I put a motion for the production of papers on the order paper. The Parliamentary Secretary to the President of the Treasury Board said on June 11:

Madam Speaker, since the Treasury Board did not prepare any report on a special index for senior citizens, I would ask the hon. member to withdraw his motion.

I suppose in the height of technicality he was right, but since Statistics Canada was under the jurisdiction of the Treasury Board at that time and at the time the hon. member for York-Peel was in office, the parliamentary secretary was inadvertently and probably unavoidably in error, because he did not know that Statistics Canada, under the jurisdiction of the Treasury Board, had prepared the report.

The whole issue of special indexing for senior citizens for the things they have to buy in relation to their cost of living, in relation to the poverty line and in relation to increasing standards of living for the rest of society requires that there be thorough, authoritative and competent inquiries, investigations and studies into what it costs senior citizens to live and what it would cost to increase their standard of living in direct relationship to all other sectors of society, and if an index produced by Statistics Canada or any other agency of the government is insufficient, then there are many other sources to get such indices from. There are a number of social agencies in Canada outside government which have already done extensive work on this. This has been totally ignored by successive governments.

The OAS and the GIS were designed to ensure that retired Canadians would not fall below the poverty line, and even using the Statistics Canada poverty line, which is drawn much lower than the poverty lines of social agencies, OAS and the GIS are not meeting this goal.

● (1710)

In fact, Mr. Speaker, when the minister introduced Bill C-16, she admitted that even with the additional $35 increase in the guaranteed income supplement, some pensioners' incomes would only reach 80 per cent over the poverty line. There is no doubt that she said that—

—an income which is slightly lower than 80 per cent of the poverty line is not acceptable in a country as rich as ours and is certainly not enough to live on decently.

Most of us who are now working can expect a substantial decrease in our standard of living when we reach retirement. Our retirement income is so inadequate that half of all our senior citizens qualify for the guaranteed income supplement benefits, which has to tell you something about the old age security pension, the Canada pension and a host of private pensions.

More than six out of ten Canadians over the age of 65 have incomes under $5,000, and three out of four women over the age of 65 are poor. Because of the ineffectiveness of the present indexing system, the Liberals have been forced to increase GIS payments twice in the last 18 months, by $20 in January, 1979, and by $35 in July of 1980. This piecemeal, band-aid approach to a program of economic survival for our elderly citizens condemns 60 per cent of them to "golden years" of bleak existence. Surely the OAS and GIS must be revised so they fulfil their original intention. I am confident that my good friend, the Parliamentary Secretary to the President of the Treasury Board and my colleagues in the official opposition, will agree that that goal must be reached.

Mr. Paproski: Right.

Mr. Benjamin: It must be reached to ensure that all senior citizens remain above the poverty line, and preferably a standard of living above the poverty line which is designed by our social service agencies, which are more realistic and practical than the ones devised by government agencies have been to date.

On Bill C-16, the hon. member for Winnipeg North Centre (Mr. Knowles) suggested a goal of 25 per cent above the poverty line, which one could hardly call overly generous. This would assure senior citizens of a standard of living which would allow a measure of comfort rather than mere survival. This, first and foremost, should be the basic goal of every member in this House.

Once that level is achieved, how should the pension be indexed? The current method of indexing quarterly to the CPI does not represent an increase. It merely keeps the pension up to date and provides some semblance of protection of the purchasing power of the dollar that senior citizens receive. The cost price index relates to the urban population of Canada and does not reflect the experience of any particular family or individual or of other segments of the population such as, would you believe, senior citizens.

Two other types of indexing possibilities should be explored. One is the creation of a special senior citizens' index which would reflect the spending patterns characteristic of this particular population group. This index should be formulated around the cluster method, derived by isolating the age, labour force status and number of people in the family unit. Some studies which have been done on special groups, such as low income populations, have shown that there was not much difference between a special CPI and the regular CPI and, in fact, in some cases the special CPI was lower. Other economists have pointed out that these studies were not sufficiently sophisticated and that in fact a comprehensive special CPI has not been properly done in Canada. A senior citizens' index, taking into account the cluster characteristics identified earlier, must be explored.

A second possibility is to compare increases in the cost price index and guaranteed income supplement with the average wage and salary in Canada. When the old age supplement was first introduced in 1952, until 1964 it was equivalent to approximately 17 per cent of the earnings of the average worker. Since 1964 its value has been allowed to fall so that the OAS is now equivalent to only 13.5 per cent of the average wage and salary earnings. During the last 15 years, therefore, the old age supplement has failed to keep pace with the growth of incomes of other Canadians.

May I suggest, Mr. Speaker, that the President of the Treasury Board (Mr. Johnston) and StatsCanada might consider some other solutions. First, pensioners should immediately have an income of at least 25 per cent above the poverty line. Mr. Speaker, in spite of the cries for restraint and government cutbacks, no country that has any self-respect or measure of decency and which is as rich as ours can stand for anything less than that. If we can afford several billion dollars for fighter planes, most of which we do not need or cannot use, surely we have money for this.

Mr. Paproski: Right on.

Mr. Benjamin: Pensioners should be fully guaranteed and protected against inflation after they have arrived at a basic 25 per cent above the poverty line, and this would allow them a little more measure of decency. These people could then take equal part with the rest of the people in Canada in a rising standard of living that the average worker and employee in the country attains over a period of years in his lifetime at work.

My final point, Mr. Speaker, is that the OAS and GIS pension systems are a transfer payment. That means that money for this system comes from a big pot from which it can be distributed any number of ways to any number of programs. The Minister of National Health and Welfare (Miss Bégin) when she was speaking on Bill C-16 insisted that there was not enough money. Her solution was to pump more money in as soon as the economy expands.

That solution of hers is a neat sidestep. The money is there for the asking if the income distribution system is made to work the way it was intended when Parliament passed those laws, money given to groups which need it the most. Surely no one will doubt or argue that our senior citizens qualify for that dubious honour. The profits of our corporations, the salaries and wages of our working people, have been rising, in the case of corporations too much, and in the case of our wage and salary earners sometimes enough, sometimes not enough. Surely if that can occur in our society, it can automatically occur in lock step for our senior citizens.

I am happy that the Parliamentary Secretary to the President of the Treasury Board has located in that department the document for which we asked on the order paper under our motion for the production of papers and that it will now be provided to the House after I sit down, tomorrow or whenever. We will be pleased to have it. I know that the hon. member for Winnipeg North Centre will want to examine it extremely carefully and he may want to raise the matter later.

Mr. Knowles: I have had it since December.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to speak very briefly in support of the motion put forward by the hon. member for Regina West (Mr. Benjamin). I realize that some procedural difficulty has been occasioned by the fact that the report which the hon. member seeks is now in the hands of the parliamentary secretary and can be tabled in the House. But I think the motion put forward by the hon. member for Regina West goes beyond the mere mechanics of tabling the report at this stage and points up the special circumstances under which the hon. member for Winnipeg North Centre raised the matter in the first case last December in the House. I think what was in the minds of those members, and indeed in my own mind and in the minds of many members on this side of the House, was the very special needs of senior citizens. So this report was a start in dealing with those special needs and a recognition of the very difficult situation in which senior citizens find themselves in this day and age.

• (1720)

As I travel throughout my constituency and across Canada, I am very mindful of the fact that senior citizens are more affected by the inflationary costs we see about us than other citizens. Particularly the hon. member for Winnipeg North Centre (Mr. Knowles) is very mindful of this. It has been raised time and time again in the House. It was in response to those kinds of concerns that the special index idea was promoted.

As I understand it, the special index would take into account the goods, materials and services senior citizens must have in order to survive which in relation to senior citizens are quite different. For example, they may be less concerned with the cost of motor vehicles and appliances, but very much concerned with the cost of food, home heating fuels and the very basic necessities of life. I do not think anyone in the House or elsewhere would deny the special status senior citizens ought to have in a wealthy economy such as our own. I do not think anyone would deny to those in their golden years the right to

live out their time with a high degree of happiness and free from some of the cares which beset those of younger years.

As parliamentarians and legislators we have a very special duty to senior citizens to examine their special needs and react to them. Earlier I mentioned the effect of inflation upon our senior citizens. I repeat that the items of very great need for all citizens but particularly senior citizens are increasing daily in cost. This has a very adverse effect upon people with fixed incomes. For the most part, with some very minor exceptions in terms of numbers, it is senior citizens who are on fixed incomes and cannot absorb these costs. One feature of a special index would be that any governmental assistance for senior citizens in the form of the old age security program with the guaranteed income supplement would be related and adjusted to the very basic needs of food, clothing and shelter. At times we have recognized the needs of senior citizens, but always in a very stop-gap way.

Many times during the election campaign and since I was asked whether I favoured the increase in the guaranteed income supplement because it was put forward by what is now the government party as its proposal for senior citizens. I always said that, of course, I favour any increase in the amount of money the government makes available to senior citizens, but I fear that when the money is put forward in the form of just another dollar increase, it will not be spent wisely. As I recall it, the estimated cost of increasing the guaranteed income supplement to all senior citizens who qualified would be in the area of $500 million. It occurred to me that this $500 million spent in another way could relieve a great many of the problems so many senior citizens experience. For example, there is the matter of increased home heating costs. I am sure $500 million applied to supplement senior citizens who incur increases in their home heating costs would almost eliminate that as a problem. I and many members on my side of the House feel that some very special examination is needed of the needs and problems of senior citizens, so that we can formulate plans and programs directed at our senior citizens which will get at the real problems they have.

As I have said, I am not against increases in the dollar value of the aid now provided, but I think the money could be better spent. One thing we should ask ourselves to consider is the manner in which senior citizens live, their actual mode of survival. I am mindful of the fact that a great many senior citizens are now housed across the country in institutions of a nursing care or home care nature. Certainly in the province of Nova Scotia, which I represent, in many cases some of these institutions are supported by funds provided at municipal and provincial levels.

As a result of the programs undertaken by many provincial governments, in some cases with assistance from the Government of Canada, we have a number of institutions which are healthy, clean, observe high standards and in which a great many of our senior citizens are now housed. As I visit these senior citizens' homes, I never cease to marvel at what wonderful institutions they are. I feel senior citizens housed in these institutions are well taken care of. It does not mean that they cannot use extra funds for a comfort fund or that each and every one of their needs is met, but basically they are in situations where their needs are taken care of and are not in situations which require instant aid.

Having regard to senior citizens living in such circumstances, I want to point out and underline the situations of senior citizens who are attempting to maintain themselves in their own homes. These senior citizens are the ones who are really hit by inflation and the problem of coping with the 1980 situation. Because many of these senior citizens own their homes, they are able to subsist on the basis of the guaranteed income supplement together with the old age security pension, particularly in the case of couples whose combined incomes allow them sufficient funds to maintain themselves. But the senior citizens in this situation are hit with a number of increases which are not taken into account in the old age security pension and the guaranteed income supplement. I have in mind municipal tax increases. Although some municipalities make allowances for senior citizens, I do not know of any that do not require senior citizens who own their own homes to pay some form of tax.

The cost of fuel oil is an increasing expense and an essential one, particularly since senior citizens more than others require their homes heated to reasonable standards and have no alternative in that respect. We now know that again these costs will escalate as soon as the government establishes its made-in-Canada price for oil. I predict this particular cost will be increased by as much as 20 or 25 per cent. In the case of an average home where a person may spend $800 a year for heating costs and hot water, it would mean an additional expenditure of $200 a year. So one can see that the increase available to a married couple in the guaranteed income supplement of $35 is immediately eaten away by the projected increase in the cost of fuel oil in the case of senior citizens living in their own homes and incurring such expenses.

I could go on with the many expenses incurred by senior citizens of a similar kind. Food costs are escalating on a daily basis. Senior citizens experience a similar difficulty and any attempt to provide additional dollars through the guaranteed income supplement is immediately eaten away. There is no question in my mind that senior citizens require special attention in the form of an index which is applicable to them and takes into account the impact of increases in very basic living costs as they apply to persons on fixed incomes or whose earning power is diminished as their years advance.

● (1730)

We have in this country over two million senior citizens, persons who are 65 years and over. The number, because of our health care program and better attitudes toward longevity in terms of health care facilities, is increasing at a more rapid rate. I am sure that we would not want, both in this House and throughout Canada, to condemn those citizens who attain those golden years to a life of poverty. We should take every step we can to ensure that they are able to live out their golden years, as they have been described, in a situation which is

enjoyable, worthwhile, and a credit to the whole Canadian community.

I agree with the hon. member for Regina West (Mr. Benjamin), who brought this matter to the attention of the House, that we ought to have a special index. I am happy that the parliamentary secretary has indicated that the report is available. I hope that it will be the beginning of consideration, in this House and elsewhere in the halls of government, of our senior citizens so that they may look forward to a new age.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the earlier suggestion that we do not need to spend this full hour on this motion, my remarks will be very brief. I thank the hon. member for Halifax West (Mr. Crosby) for the statement he just made on behalf of senior citizens, and I welcome him to the team. I hope, however, that one of the byproducts of this debate will be a slight improvement in the filing system in the office of the President of the Treasury Board (Mr. Johnston).

When the motion by my friend, the hon. member for Regina West (Mr. Benjamin), was called on June 11, as it is noted at page 1996 of *Hansard*, he was away ill. He does not look it now, but he was ill then. As a result it became my responsibility to move the motion on his behalf. I confess I was quite surprised when the parliamentary secretary stood up and said that the Treasury Board had not prepared any report on special indexing for senior citizens. Accordingly, he asked that the motion be withdrawn. At that point I asked that it be transferred for debate.

I knew that the report existed, because I had a copy of it in my office. I wondered how it was that the parliamentary secretary could say that there was no such report. I first asked for the report on October 19, 1979, of the then prime minister, the right hon. member for Yellowhead (Mr. Clark), who said that his government would go ahead with the idea. Then on December 10 I asked the then president of the treasury board, the hon. member for York-Peel (Mr. Stevens), where the report was, and he said that it was being prepared and that he would be glad to send a copy to me shortly. Two or three days after that, something happened that has not been forgotten, but on December 21 the then president of the treasury board wrote me a letter and sent me a copy of the document.

When the parliamentary secretary said that he did not have the report, I began to wonder if it was a case of grand larceny and whether the hon. member for York-Peel had run away with the document, and to think that maybe we had better put the RCMP onto the matter. The hon. member for York-Peel is not guilty at all. The report was left in the files, but somehow or other the staff in the office of the President of the Treasury Board could not find it. It has been found. All is well that ends well, and we are glad that the document can now be tabled.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, on a damp day such as this, with the thunder rolling outside, it is always pleasant to have the hon. member for Winnipeg North Centre (Mr. Knowles) putting the needle in just a little bit—

Mr. Paproski: "Mr. Thunder" himself.

Mr. Daudlin: —and trying to demonstrate that it is always required once in a while to prod the government to test and determine that in fact it is operating, and operating well.

Mr. Paproski: We call him Thor.

Mr. Daudlin: While I have not had the opportunity to review the question when it was originally put by the hon. member for Winnipeg North Centre, I wonder if, at the time he put the question, the hon. member saw fit to ask that it be sought from Statistics Canada, or whether indeed he put the question directly to the President of the Treasury Board (Mr. Johnston). In this particular instance the hon. member for Regina West (Mr. Benjamin) is asking whether or not a report was prepared by the Treasury Board.

An examination was made of the records at Treasury Board and, indeed, it was determined that they had prepared no such report. Subsequently we determined that Statistics Canada had prepared the report. It is true that, at the time the report was prepared, the minister responsible for reporting to the House on Statistics Canada was the President of the Treasury Board. All hon. members know that since that time the responsibility has been delegated to the Minister of Supply and Services.

Be that as it may, I do have a report which, fortunately for the hon. member for Winnipeg North Centre, is not the exact report which he was given on December 21. The passage of time has afforded the opportunity of updating the report and to annex to it. When I table that report, I think that the hon. member will find it even more informative than the original report.

Perhaps, Mr. Speaker, I might now be afforded the opportunity to reverse the needle just a little bit and inquire of the hon. member for Winnipeg North Centre why it was that he did not share the letter and the information that he received from the former president of the Treasury Board with his colleague, the hon. member for Regina West. I am sure that the hon. member for Regina West would have appreciated having at least a look at the report as it was originally prepared. I suppose we will all wonder forever what exactly went on as to why in fact there was not that kind of sharing of information. Whatever the reason, it did not happen. I shall now table the report which will afford them both the opportunity to look at it.

I am a little concerned, and I will accept the advice of the hon. member for Winnipeg North Centre, with respect to tabling this report. I recognize that to table the report in the place of the Minister of Supply and Services (Mr. Blais), I would require the unanimous consent of the House. However, I wonder if we could also have something on the record that would indicate that the hon. member for Regina West is now withdrawing his motion for production of papers, so that I might be allowed to table the report with consent.

The Acting Speaker (Mr. Blaker): The parliamentary secretary can proceed in that fashion if he so wishes. However, I have before me a notice of motion for papers by the hon. member for Regina West. If that motion stands with the consent of the House, then it constitutes an order of the House to table the report to which it refers.

Mr. Knowles: Let's pass it.

The Acting Speaker (Mr. Blaker): I shall simply ask hon. members to adopt the motion, and the order will issue. The parliamentary secretary will then be entitled to table the report or document referred to in the motion.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Daudlin: Mr. Speaker, I submit, in both official languages, the report requested by the hon. member for Regina West. I ask all hon. members to take a look particularly at the item indicating the implications of such a special index and the fact that, notwithstanding that we are looking at special items, it does not become the panacea which we would all hope it to be for senior citizens. Indeed, it raises another set of questions which must be considered.

Mr. Benjamin: Which is exactly what I said.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Blaker): Order, please. I hear the call for six o'clock, and the Chair will recognize it is six o'clock. Accordingly, I do now leave the chair until eight o'clock this evening.

At 5.40 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT TAX CREDIT ACT

AMENDMENT RESPECTING EXTENSION OF PROGRAM PERIOD

The House resumed consideration in committee of Bill C-19, to amend the Employment Tax Credit Act—Mr. Axworthy—Mr. Ethier in the chair.

The Deputy Chairman: When the House rose at 5 p.m. clause 1 of the bill was under consideration, and the hon. member for Mission-Port Moody had the floor.

Mr. Rose: Mr. Chairman, I was in full flight when the five o'clock whistle brought me down. I was quoting that great socialist, Walter F. Light, president of Northern Telecom Limited and his expression of concern about the fact that we import about 80 per cent of our technology. He commented that we are just like a developing country, except for that 20 per cent. He said:

I simply want to demonstrate that political sovereignty without technological sovereignty is a chimera—

I was a little doubtful about what a chimera actually was, but I found it was a mythical beast of antiquity.

Mr. Knowles: Don't look at me!

Mr. Rose: I am sorry; I did not mean to nod toward the hon. member for Winnipeg North Centre when I mentioned a mythical beast of antiquity. Mr. Light suggested that other countries had operated more loyally, perhaps, toward their own workers and their own industries. He went on to say:

Our second great vulnerability is the massive subsidization of innovation and research that is under way in competitive industrial countries in Europe and Asia and, to a lesser degree, in the United States. Much of this subsidization is in the electronics industry and in the key technologies of semiconductors and software.

If we are to be faced with a technological revolution that will displace massive numbers of workers, then we must build a closer relationship with industry. Finally, Mr. Light said:

What is required is an investment by industry and government in innovation, in research and development, of sums of money never before contemplated in Canada.

I am inclined to agree with him on that point. We must determine what we are going to do about new technologies, where the pressures will occur, and where the incentives will come from that will change that 80 per cent importation of technology that replaces and displaces our workers. I think it has to come from government, Mr. Chairman. I do not think it can come from any other source.

The government tends to object to or shrink from direct intervention in industry and, of course, industry also shrinks from government. They do not want regulation; all they want is money—incentives, tax write-offs, various kinds of capital cost allowances and that sort of thing. The government has to deal with these problems because there is no one else to do it. That places a great load on the minister's shoulders. As I said in my opening remarks, I do not envy him, his task. It is an immense one and he cannot do it all himself even if he wanted to, or even if he thought he could, as the rest of us are inclined to think. He just could not.

We need long-term plans in order to look after those workers who are displaced, Mr. Chairman, and we need government plans for retraining, earlier retirement, shared work, an industrial strategy, and control of our own Canadian resources. While a comprehensive industrial strategy has been alluded to,

it has never been revealed by this government which has been the government of the country for most of this century.

The minister seems reluctant, however, to do some of the things that he could do. A brief presented by the Canadian Committee on Learning Opportunities for Women sets out the following points in its preface:

> The brief concerns the impact on women of federal cutbacks to training allowances and Outreach programs. We predict two major outcomes for these cutbacks:
>
> (1) a decrease in access for women to vocational retraining programs—
>
> ● (2010)
>
> —academic upgrading and language classes.
>
> (2) as a result of decreased access to these learning opportunities, a decreased access to stable, well paid employment.

So it is a vicious circle. I know the minister is sincerely convinced that there should be more and better opportunities, but his acts do not always parallel his utterances. That concerns us in this party, as well as it must the minister and other people who are victims of these cutbacks. The last one was $62.5 million. That is not a small chunk at all, especially when you consider the cost of living going up. So the number of opportunities are reduced and the kinds of training offered or selected by the women, according to the Canadian Advisory Council on the Status of Women in its brief dated June, 1980, are not always adequate nor necessarily suitable. This is what is reported in the brief:

> The majority of women work in relatively few poorly-paid sex-typed occupations. Ideally, training can be a vehicle to alter this pattern. However, training of women in the skill training program tended to follow the well-known pattern of occupational concentration and segregation. Eight occupational groups accounted for 85 per cent of all female skill trainees started in 1978-79, and these occupational groups consisted primarily of traditional female jobs. Over 50 per cent of the women were trained in two occupational groups alone—stenographic and typing occupations and other clerical and related occupations (despite the fact that only 14 per cent of female trainees gave these as their usual occupations.) Over 90 per cent of those trained in these two occupational groups were women. In comparison, the eight leading occupational groups for male skill trainees accounted for ony 56 per cent of these trainees.

What is even worse is that the kinds of jobs for which these women are trained, according to the experts, are trained under the investment by the Government of Canada, through the minister and the ministry, and are the ones that are most likely to disappear under the micro-technological kind of revolution we will experience in the 1980s and 1990s. I think that should give the minister and his very able staff members pause to consider some of the kinds of priorities which they are pursuing.

It is not a simple matter, and no one needs to gloss over it or point a finger of scorn at the minister as if he could wave a magic wand or a magic buck and solve it. No one is suggesting that. But I think the minister knows that the kinds of programs such as the one he is trying to get through here tonight are merely stop-gap programs. There are cutbacks in various other programs under his direction and responsibility which negate the laudable kind of objectives of the new plan of action that he has called for under the title Towards Equality for Women.

It is in his power to do something about these matters when we encourage him to do so. However, I think it would only be fair to get to some questions. I would like to give the minister an opportunity to answer some of them. They bear at least in some degree on the matters that I have raised. First, is the minister aware of the probable impact on employment of new technologies such as those already here in the telecommunications-computerization field, especially for women? What is the government's intentions to overcome these? I will try not to rush these questions, but I want to give the minister time to answer and therefore I will read them quickly.

Second, what is the government prepared to do to decrease the importation of 80 per cent of our technology? Of course that is a job associated question.

Third, what is the government going to do to encourage the manufacturing of high technology industries in Canada, as other countries are doing, by subsidy if necessary. In this connection, I would like to quote again, but I do not have the time.

Fourth, when is the government going to implement a comprehensive industrial strategy?

Fifth, when is the government going to insist that industry co-operate with the government in forward planning, domestic research and development, and job retraining, as government does in other countries?

Mr. Axworthy: Mr. Chairman, the hon. member, as he is well known to do, has been able to cover a wide variety of topics in a very short time. I would not want to try to duplicate his efforts, his breadth of knowledge or experience, by trying to answer them, because he has raised a number of very important questions, questions which some of my colleagues are in a much better position to answer. Certainly this is true on the issue of industrial strategy, for which the Minister of Industry, Trade and Commerce has a responsibility and on which I know he is working very diligently.

The hon. member has suggested that the government really must be responding to problems of high technology and how this will create dislocations in the work force. I think he is correct that there will be dislocation. But at the same time I think there is a tendency sometimes to be too Cassandra-like about these developments. We tend to be too pessimistic. I can recall several years ago when there was a great deal of moaning and groaning about how the advent of a computer was going to put all kinds of people out of work. In fact what we found is that new computer technology has created substantial new jobs and it has been a labour-saving device. In its own right it has spurred on a number of new activities and new technologies.

I think we have some degree of restraint in our pessimism about the future. We have a way of not being able to anticipate perhaps as clearly as we would like, and perhaps as others have to forecast the future clearly. Nevertheless, in saying that, I do not disavow the necessity to keep a careful watch on the future.

I would point out to the member that my colleague, the Minister of Labour, just announced in Toronto this past weekend that the government intends to hold a conference in

the fall dealing exactly with the question he raised on the impact of the new micro-technology products and their impact on the employment of women.

I think there are a number of papers being prepared by the Department of Labour and other departments which will be utilized at that conference and where we will be able to consult with a broader range of public interest groups and women's organizations to look at the impact. I believe it is at that stage, Mr. Chairman, where we must first gather up the opinions of others, and the experts in this field, because it is a new field that is coming forward.

I accept his premise that government has a responsibility to take a lead in this area, to provide for some forward planning and direction, but it does have to take place at a fairly measured pace. By not rushing into these things hopefully we can avoid mistakes along the way.

The developments that are now going on are in new technology areas which are being examined in my department, in the Department of Labour, and in the Department of Industry, Trade and Commerce. We hope that we will be able continually to present to this House our resolutions to those issues.

On the other matter which the member raised, I would only caution him that again I work under certain limitations with the present stretch of programs that we have, namely that budgets and estimates were set and we could only work within those estimates in terms of re-orienting programs or re-establishing them. I would point out, however, that within those we did try some innovations. We did introduce a program of employment for young people in the new technology research field; we will provide incentives for employers to hire graduates of our professional and technical schools to bring them in and give them their jobs in research and development. That is based upon our analysis of the graduates coming out of our schools who did not get the opportunity to get their first job experience in a research-related activity. This will give them their first entry into those areas. Hopefully it will provide them with a continuing career in research and development. If the program seems to have some effectiveness, then we will be able to expand that program. But it is an innovation that we have tried under our job creation program.

Similarly, we are trying to induce employers to hire women in non-traditional fields by offering an incentive program to bring women into areas in which they would not normally work. The hon. member is quite right, women have been employed in the service industry and traditional areas and these may be more severely feeling the impact of changes in the economy. One of the answers to that is to enable women to move into areas where there will be an increasing demand for new skills, such as in resource and in high technology areas. Again, we are hoping this program that we have introduced this spring takes off and shows that it has some impact and effectiveness. We can then build upon that the year after and develop it as a broader skill program to enable women to go into areas of employment where they would not otherwise have the opportunity to go.

• (2020)

Mr. Hawkes: Mr. Chairman, I would like to return to a subject which we opened this afternoon, and perhaps put it in a little different context. Part of the job of the opposition is to determine, when examining any piece of legislation, whether the taxpayers' dollars are being effectively spent. In the context of the employment tax credit bill, which is a method for the government to assist people to find employment in a time of high unemployment, we have an obligation to contrast the expenditure in that way with other possible expenditures.

The minister indicated earlier in the life of this Parliament an expenditure of $137 million for direct job creation. When my 20 minutes were up earlier today, we were exploring the costs of that form of employment creation versus the costs relative to this employment tax credit bill. I was left with some confusion. The minister indicated at one point that he did not have available the cost per week of a variety of job-creation measures which he has brought before Parliament at this point. I would like to clarify this so we might be very specific in terms of our background.

I ran over a number of programs with the minister. I inquired whether or not the amount that had been allocated in the budget was to be spent in this fiscal year. A definition of "spent" would be that it goes out of the hands of the government and into the hands of those people employed on the project. If I could come back to the community services program, a budgeted expenditure of $11 million, can the minister clarify whether that $11 million will be spent in this budget year or fiscal year?

Mr. Axworthy: As I pointed out, Mr. Chairman, several times to the hon. member, those are commitments that we make this year for the positions that are established. The expenditures will span the fiscal years because, under the guidelines of the community services project, the commitment, offering or invitation to prospective applicants is that they can commit themselves for a full year's employment and beyond that into two or three years.

In terms of our expenditure pattern, if the program is not operative until this fall and the applicant wants to maintain an employee from October-November to the next October-November, we commit the funds as part of our expenditure within that position. It will span the two fiscal years. We cannot fully estimate that because we have not seen the applications. We do not know what the average length of time will be within that program because, as I pointed out to the hon. member, it will span two fiscal years.

Mr. Hawkes: In summary, the $137 million program announced in this House is a program that covers at least two years, and maybe longer. That $137 million will be spent over a span of time rather than spent for the creation of employment in the current fiscal year. Is that an adequate summary of the position?

Mr. Axworthy: No, Mr. Chairman, that is not what I said. It is not a fair summary. What I said is that we are commit-

ting jobs for this year. Those jobs will cover the span of the next fiscal year and move into it, but they have to be committed now. Otherwise we would be in the ludicrous position of saying, "You can make an application in November, but we will cut you off on April 1". We want people to have some term of employment that would at least continue for a 12-month period. That is the basis upon which we have to commit the money during this fiscal year in order to realize our responsibilities to whomever makes an application for this program.

Mr. Hawkes: Mr. Chairman, I continue to get somewhat confused. Let's go back to a specific, the community service program. The budgeted amount is $11 million. Will you spend—take out of the government's hands and put it into the hands of individuals—$11 million this year, or will you spend considerably less than that this year?

Mr. Axworthy: Mr. Chairman, if the hon. member is confused, I suggest it may be of his own making. We have said very clearly that we would have to commit under a program such as this, and we are publicly responsible and accountable for the statement, that we are prepared to make an invitation to applicants to create jobs which we are prepared to pay for, or subsidize. Those jobs will obviously cover the span of two fiscal years. The $11 million is a commitment for those positions.

We have every opportunity, and I hope we will take advantage of it, in the next fiscal year to make a new offering and have a different kind of job program, after we have analysed it, which could add upon it or continue it. Perhaps I can use by way of an example the kind of situation that the hon. member's own government was into with the Canada Works program. They cancelled the Canada Works program, but they had ongoing commitments which run into this fiscal year which we are just now paying. Those programs are being phased out over the summer. I believe by September, October, the programs will be totally and completely wiped out. However, those Canada Works commitments that were made in the previous fiscal year must carry through this year. His government had to carry those expenditures as part of their estimates in order to cover all those Canada Works programs.

Mr. Hawkes: That is what I thought I heard the first time. Then I come to a conclusion. The minister has announced an expenditure package for employment creation purposes of $137 million. I simply ask him, is it fair comment and a good summary to say part of that $137 million will go from the government into people's pockets in this fiscal year prior to March, and the balance will go in the next fiscal year or subsequent years? In other words, part of the $137 million will be in this year and part will be in next year. Is that an appropriate summary comment?

Mr. Axworthy: No, Mr. Chairman. It will all be committed this year.

Mr. Hawkes: I am not anxious to get into a word game. I understand clearly that you make commitments that go beyond one fiscal year. I am asking the minister what portion of that $137 million will be spent in this fiscal year, will actually go from the government and into the pockets of those people who get those jobs.

Mr. Axworthy: Mr. Chairman, the commitment will be made for all of the money to those sponsors, but the commitment that is made is that they may spend part of it going over the next fiscal year because they made commitments on those jobs. I have now said several times this evening that if someone is hired to begin work on November 1 and the community services program goes over until next August, September or November, obviously the money we have given to that group will be spent during that period of time. We are giving to that project group, whoever makes application, the money this year to be spent to create the job this year.

Mr. Hawkes: The job will start this year and it may continue into next year.

Some hon. Members: Hear, hear!

Mr. Hawkes: I think we should stay with the community services program for another second or two. In the back-up paper which the minister provided to the House of Commons, he says that that program will create 1,000 jobs. Can the minister tell us whether his departmental officials have estimated the average cost per week for one job within that specific program?

Mr. Axworthy: I would caution you, Mr. Chairman, that this is exactly the same question that was asked two or three times earlier. It has already been answered. I am quite prepared to answer it again to make sure that the hon. member is clear on it. It is a question that is becoming repetitive, and I think the Chair should recognize that fact.

The point is that we are simply saying that the program is not operative. Therefore, the guidelines of the program are very difficult to judge. We are saying within the parameters of what we can guesstimate in terms of when the program may get started, the length of time in which the community services may be operative in terms of the individual applications, which can go anywhere from eight weeks as a minimum to a full year, we have estimated that the cost per week would be in the range of about $200.

Mr. Hawkes: I am just busy writing down that figure. The minister indicates that the average cost per week for the community services program may be in the neighbourhood of $200. Could he give us the average cost per week of the community development program which involves an expenditure of $72 million?

● (2030)

Mr. Axworthy: It would be within the same range.

Mr. Hawkes: Could the minister give us the cost estimate as a cost per week of the new technology program?

Mr. Axworthy: In the order of $250 to $260.

Mr. Hawkes: It is wonderful to come back in the evening, Mr. Chairman. These questions were not getting the same response in the afternoon. Maybe people have looked a few things up. What about the native training program, the additional $10 million? What is the cost per week of native training?

Mr. Axworthy: Two hundred dollars, Mr. Chairman.

Mr. Hawkes: Those four examples are among the biggest allocations of money from the department and they run between three and four times as expensive for the creation of a week of work as does the employer tax credit program. What does the minister consider as being three or four times the value in these programs as compared with the employer tax credit program? We established earlier that under the employer tax credit program it cost around $65 to create a week's work. These other programs cost between $250 and $260. Why does the minister favour programs of that kind as opposed to the employer tax credit program?

Mr. Axworthy: If the hon. member had been listening to recommendations made by other hon. members of this House he would have his answer. We heard from his hon. friend from Richmond-South Delta a strong and persuasive case for establishing special programs to train young people and move them into new resource areas, as well as for helping native people and other groups with special needs. When we introduced the job-creation program our primary purpose was not to rely on any one technique but to have a variety of instruments at our disposal so that we could target in on hard core unemployment areas.

The employment tax credit plays a role in this general strategy and, as I said, we are prepared to spend close to $100 million on that program. It is designed to provide an incentive for an employer to bring in a worker he would otherwise not hire. Work of this kind tends to be created in areas where there is a fairly high frequency of manufacturing organizations and businesses which can take advantage of the tax credit. But there are many regions which do not have such an opportunity; the underpinning of small business does not exist. These are the areas we want to target in a geographic or regional way.

There also areas where special groups of people, the hard core unemployed, would not be affected by a tax credit program. We have introduced a direct job-creation program to assist in those circumstances. The underlying philosophy does not encourage one program to the exclusion of another but is an attempt to provide a balance of programs and find an equation applicable to each area. We have given our regional directors some degree of autonomy in choosing the mixture of programs which would be employed in each area. That is why we have restored direct job creation.

Mr. Hawkes: The minister has told us it takes direct job creation to reach some of the disadvantaged groups. There is some truth in that proposition, but it is not all truth. I would draw the minister's attention to the fact that one of the new programs he announced had to do with job training for women in non-traditional areas. This affects a group about which we are particularly concerned. The basic principle we follow when providing jobs of that kind is the tax credit principle. There is another supplementary and somewhat similar program which we have not seen. It is not in the legislation we are examining today and it is not in the $137 million program which the minister announced earlier. I refer to a wage subsidy program. Could the minister tell us whether or not we are likely to see a wage subsidy program in operation in the future? Can he give us his own analysis of what might be good about such a program and what might be not so good?

Mr. Axworthy: Again, I believe that if we look at the wide variety of employment incentives which might be offered we shall find that a wage subsidy is being used by certain jurisdictions. It was my hope that through discussions and debate in which the parliamentary committee will engage, and in which our own talk force will engage, we would be able to come up with a proper assessment and evaluation of those techniques as well as others. As the hon. member knows, because he is well versed in this field, there are a number of options available. What we have to do is determine the proper mixture of programs in the future; it is not enough to throw a smorgasbord of plans on the table and simply hope they will work. We now have a job program which is within the parameters of the money available to us to meet the short-term need and fill the vacuum which was created. We hope through the work of those two task forces to make an exact assessment of other techniques which are available, and determine which will best serve us. Wage subsidy programs will be examined as part of that process.

Mr. Hawkes: The data base relative to wage subsidy programs is growing, I believe, as more and more jurisdictions around the world have made use of this technique. One element of a data base which might be collected by the minister's department would include some idea of the cost vis-à-vis direct job creation and so on. Does the minister have any idea where wage subsidy programs might fit in this range from the cheaper employer tax credit program to the more expensive direct job-creation effort?

Mr. Axworthy: I do not have that information on hand at the moment but I know it is part of the data base being assembled by the task force in my department; figures of that kind on alternative job-creation options will be developed.

Mr. Hawkes: I would think such data already exists somewhere in the department given the number of people who are involved in research. One of the advantages of a wage subsidy program is that in the Canadian context it is estimated it would make the other 50 per cent of our businesses eligible to employ people. Once this legislation is passed, the richest 50 per cent of Canadian businesses will be in a position to use the employer tax credit program and hire people, receiving benefits, in a sense, from the other taxpayers of the country. That is because they make a profit and pay certain taxes. Unfortunately, we are in a period of the economy at which bankrupt-

cies have risen by 15 per cent, 20 per cent or 25 per cent, depending on the month.

The fringe businesses in this country, the 50 per cent which have not been in business long enough to make profits, or which are experiencing particularly difficult times, cannot provide jobs. Every time a business goes bankrupt a certain number of jobs are lost. We lost 61,000 last month in Ontario alone. They disappeared from our economy. I wonder whether the minister might care to speak for a minute or two about the consideration he has given to wage subsidies relative to employment possibilities in fringe businesses which are barely profitable.

● (2040)

Mr. Axworthy: Mr. Chairman, I think it would be wrong to assume that the employment tax credit is utilized only by large, rich corporations. It is actually quite the contrary. The major users of the employment tax credit program are small businessmen. Well over 70 per cent of the applications which come under this program are put forward by business organizations which employ fewer than 20 people, so the major recipients and users of this program are small business organizations.

As far as the other problem the hon. member puts forward is concerned, I agree with him. There is nothing that is giving me greater concern at this point than the major dislocations which are taking place in traditional industries which have been very strong and have not required support. The automobile industry is a prime example. However, I do not think a wage subsidy is necessarily the panacea for that problem. We are examining it very closely. We have had a series of meetings with the UAW. We are looking at different ways by which we can provide for transition in that major area but, as I tried to answer the hon. member who spoke before, we are really going to have to work jointly with business and unions to find a way to combine a number of programs to impact upon those areas where major industrial change or dislocation is taking place.

It could well be that a wage subsidy is one example, but I can also point out to the hon. member, for example, that in the American jurisdiction what they are using now is increasing the use of split work programs or work-sharing programs, which is another concept the Americans are beginning to employ with more frequency. The hon. member is probably aware of the experience in the state of California with the four-day week insurance programs that they are beginning to develop. Those are all options we are looking at, and I encourage the hon. member, as one of the representatives of his party in the parliamentary task force, to use his experience and his obvious interest and concern about wage subsidies and to bring that forward for examination by the parliamentary task force so that we can get the benefit of his wisdom.

The Deputy Chairman: Order, please. The traditional 20 minutes allotted to each member of the committee has expired. However, if nobody else seeks the floor, the hon. member for Calgary West may be recognized for a second round.

Mr. McKenzie: Mr. Chairman, I would like to discuss with the Minister of Employment and Immigration the industrial benefits from the new fighter aircraft contract which is in progress now.

To date we know that 49 per cent of the spin-off benefits will go to the province of Quebec, 37 per cent to Ontario, and 12 per cent to the rest of Canada. As the minister well knows, we have a very capable aerospace industry in the province of Manitoba. There are four firms there: Standard Aero, CAE, Boeing and Bristol. They are very concerned, and to date there have been only some minor contracts allotted to Bristol for the manufacture of but one part of the new fighter aircraft. Is the minister taking into consideration where the remaining 12 per cent is going to be allotted across Canada? If there are not going to be some industrial spin-offs and if at least 10 per cent of the remaining 12 per cent for eight provinces is not going into the province of Manitoba to these four aerospace firms, they could face very serious problems with lay-offs because, once the old fighter aircraft is finished, which is being worked on now, there will be nothing more for them. Can the minister explain what he is doing about getting part of the new fighter aircraft contracts into the four aerospace firms in Manitoba?

Mr. Axworthy: Mr. Chairman, I am pleased to answer that question. It is not exactly within the confines of a discussion of the employment tax credit, but because of our mutual interest in our home province I would be prepared to answer that.

I think it is fair to say at this point in time that the negotiations and discussions on the allocation of contracts for the aerospace industry are in process. The presentation by a number of the major contractors is just now going forward to the interdepartmental committee which has been put together to make assessments of different proposals. As the hon. member pointed out, both Bristol Aircraft and Standard Aero, which are well-founded and well-established companies, have made proposals in those areas. They are part of a number of proposals which are being considered by the major contractors and by the government itself.

I welcome the hon. member's support and encouragement. It is my intention to support and encourage the allocation of work where there is the beginning of an aerospace industry, and I think I can tell the hon. member that there is some progress in those negotiations, but I would not want to make any specific announcements because no decisions have yet been taken on much of that work.

Mr. McKenzie: Mr. Chairman, the minister does not have to worry about my concerns. This is something I have been working on since 1972. I met with these four members of the aerospace industry last Monday in Winnipeg, and they are very concerned about what work they are going to obtain from the new fighter aircraft industrial spin-offs. If they do not obtain some contracts in the very near future, they will be faced with lay-offs. Can the minister give us some assurance here tonight that the Ministry of Industry, Trade and Commerce and the Ministry of Supply and Services will be meeting with the four aerospace firms in the very near future to discuss

what portion of the new fighter aircraft contract they can obtain? I asked them, "Are you concerned; are you worried?" They said, "Yes, we definitely are". I did not want to be raising the issue in the House if things were going along smoothly and they were getting assurances from Ottawa that they were going to be getting part of the contract. They have received no assurances at all.

I see that the Minister of Industry, Trade and Commerce is here. Maybe he would want to interject something here tonight about this.

Mr. Lalonde: Order.

Mr. Gauthier: This is not question period.

Mr. McKenzie: There is a little conversation going on here between two members, but I want to tell the minister that we are talking about employment here tonight as well as the different regions. If we do not get some assurance about the new fighter aircraft contract in Winnipeg, there will be many lay-offs, and the four firms in Winnipeg are very concerned. Will the minister give some firm commitment as to when he will arrange a meeting between the Minister of Industry, Trade and Commerce, the Minister of Supply and Services, the Minister of National Defence and the four aerospace firms in Winnipeg so that they can be given some confirmation as to when they will get a firm commitment with regard to building some parts—

Mr. Lalonde: Order.

The Deputy Chairman: Order, please. With the greatest of respect, I must interject at this time and ask the hon. member to confine his questioning to the bill before us, namely, the tax credit bill, and certainly not to the creation of employment in other areas which do not concern this bill.

Mr. McKenzie: With all due respect, Mr. Chairman, we are talking about employment and—

Mr. Lalonde: Order.

The Deputy Chairman: Order, please. We are talking about tax credits.

Mr. McKenzie: Does the Minister of Employment and Immigration want to respond to what I said?

Mr. Dawson: Is this question period?

Mr. Lalonde: That is out of order.

The Deputy Chairman: Order, please. The hon. member for Wetaskiwin.

Mr. Schellenberger: Mr. Chairman, I want to intervene just briefly regarding the employment tax credit bill and the employment program regarding native Canadians which was announced. Just yesterday or Tuesday a report was tabled. That report was rather astonishing, although I suspect most hon. members are aware of the employment conditions, shelter conditions, and some of the other problems which affect native people.

Under the employment tax credit bill, particularly at a time when we have high unemployment, employers generally seek people who are experienced. There are many people who do not have jobs but do have some work experience. Part of the problem with native Canadians is that most of them have never had the chance to get any experience in order to compete for these jobs. While I understand the technique of the employment tax credit, I do not feel it will assist native Canadians in any way. It might assist only a very few.

Because reserves are becoming crowded, many native Canadians are moving into urban centres. The problem then becomes worse because they are out of their culture. They are often driven to welfare, alcoholism or violence, as a result of living in urban areas. I understand that some $10 million was assessed to the other program which was announced. My question is on whether the minister believes that the employment tax credit will assist in any way native Canadians in solving their problems, particularly those who have left the reserves. Is the $10 million, under the program which has been announced, specifically designed for status Indians or will it relate to the 500,000 non-status Indians and the some 500,000 Metis people who sometimes are considered in the same group with native Canadians? If I can get an answer to those questions, it may relate to some others.

● (2050)

Mr. Axworthy: The employment tax credit program would only incidentally bring natives into the work force. It is not a program, as the hon. member properly describes it, which is designed to focus specifically on their concerns. As I pointed out in my answer to the hon. member for Calgary West, one of the reasons why we are trying to develop a balanced strategy is to have a range of options whereby we can allocate moneys to where they are most needed. That is why we introduced programs specifically designed to deal with employment difficulties faced by native people. I should say that there is not just a training program.

The community development program is one which will have a very heavy emphasis in those regions of the country where there is a high proportion of native people and, as I believe I indicated—I would like to check *Hansard*—I believe I said last time, that when we allocate money by constituency, there will be a weighing factor to provide additional funds in areas where there is a higher unemployment rate among native people. So it is that program plus the training program. The training program is available to the native people, both status and non-status, and it is designed to start some innovative programs in the training field.

The hon. member was probably not in the chamber this afternoon when a similar question was asked by another hon. member. We did point out that he should not assume that these are the only programs available for native people. LEAP, under my department, is a close to $70 million pro-

gram and almost 50 per cent of that is allocated to work projects for native people.

Mr. Schellenberger: I have one other question regarding the program. In his press release the minister stated that it would enable them to take advantage of urban and remote resource development opportunities. I assume that as the moneys are allocated, many of the ridings do not have resource development opportunities. Would it be possible then, if there is a large resource development such as the tar sands plants, when moneys are allocated in ridings where there are not these kinds of developments, for jobs to be created and for people to have opportunities to move where the jobs are, even though the moneys are allocated specifically in one area?

Mr. Axworthy: Mr. Chairman, I do not want to confuse the hon. member. The allocation by constituency is for the community development program. The training program is one under which we will respond to initiatives and primarily we have asked our regional directors in each of the provinces, particularly the western provinces, to develop for us in consultation with native organizations, how they would like to allocate that money and what is the best use for it. I can tell the hon. member that already we have had several meetings with native organizations in Alberta specifically directed at developing training programs relating to the major oil sands projects that are going ahead in that area.

Mr. Schellenberger: My final question relates to the number of jobs. If we refer to the statistic which was given to the hon. member for Calgary West we see that it would cost somewhere around $200 per job. Yet in the release the minister states that he will be assisting some 6,000 native participants. If we do some mathematics we find that at that level only some 1,400 permanent jobs would be created. So I assume that we are looking at temporary jobs for a brief period of time, hoping that they will develop into long-range employment. Given that we still have sometimes between 60 per cent to 80 per cent of the native people unemployed, I know that this program will assist them, but surely the minister should address himself to additional programs in this area, particularly in view of the reports that have come out in recent weeks. I assume that he will give some direction to the parliamentary committee and to his own committee to make efforts in this area, particularly directed to people living on reserves and those who have left the reserves and are trying to exist in large urban centres.

Mr. Axworthy: I would like to give some clarification. When we talked about 6,000 native participants, we talked about a combination of the training program and the job-creation program under the community development and community services.

Mr. Anguish: Mr. Chairman, I would like to address a question to the minister in reference to something he mentioned earlier about the number of native people who have been helped by projects under LEAP. In the new measures that the minister has announced, will some priority be given to carry over from LEAP in the cases where people have not been able to finish their projects? Some of the specific projects I can think of would be the band of Canoes Narrows, the community of Beauval and several other places. If they apply under the new program, will they be given some priority to enable them to finish their project which was started under LEAP but for which there are no more funds under that program, so that the facilities there remain useless now and cannot function unless these people receive extra money to complete the project?

Mr. Axworthy: Mr. Chairman, I should point out to the hon. member that LEAP has a specific date attached to it and if jobs end under the program, obviously there would have to be new funding. The people would certainly be eligible for application under the community development program if they so desire, but LEAP has its own terms of reference. I should point out also that LEAP will be continuing as well. Much of the funds that have been allocated this year has been spent, but LEAP is an ongoing, continuing part of our employment strategy. The community development program is in addition to LEAP which is already in place.

Mr. Anguish: Yes, Mr. Chairman, I understand that. What I am saying is that there are some projects, such as I mentioned, at Canoe Narrows and Beauval, which have been started under LEAP. They do not have adequate funds to finish their projects. Without additional funds the projects will be useless within the community. If they apply under the new program which the minister has announced for employment, will they be given priority as opposed to projects that are new and possibly more creative? Will the old projects that are not completed be given priority when they apply, as opposed to projects that are new?

Mr. Axworthy: What I would propose to the hon. member who has a very specific question, is that if he could give me a note on those projects to which he has referred, I would be very glad to talk to our regional director in Saskatchewan to see what can be done and to examine them more specifically. If he could give me a note to that effect, we could follow through and get an answer back to him.

Mr. Hawkes: Mr. Chairman, I would like to point out to the minister who, I think, has referred to me two or three times as being a sociologist, that I am a psychologist by discipline. That is what my doctorate is in. My particular specialty has been statistics and research methods.

Some hon. Members: Hear, hear!

Mr. Hawkes: One of the commonly used text books at universities for that kind of course is a book called "How To Lie With Statistics". Perhaps we have spent a lot of time on this bill because we have had a shifting data base from time to time and it has been very difficult to pursue the issue and to have clear definitions, and that is part of understanding our world. I was reminded of that as my colleague, the hon. member for Wetaskiwin, spoke about the native employment program.

I should like to bring to the minister's attention the fact that when today he stood in the House of Commons to announce his $137 million program, in my brief one or two minutes of questioning I asked him simply to define a job, because we cannot understand what our money is being spent on unless we have some definition of a job. In the data which have come out through the course of the day, we have the kind of example I mean about the difficulty of dealing with statistics. We have a program called the community services program. The minister's own officials told us that it will create approximately 1,000 jobs for an expenditure of $11 million, and the minister told us that the cost of those jobs is approximately $200 a week.

● (2100)

If we go down the list of measures announced in the House, we come to native training which is an expenditure of $10 million and the cost is about $200 a week. So, it is very similar—$11 million in one case and $10 million in the other, $200 a week in both cases. But we are told that 3,900 jobs are created for native people. How can that be with $200 a week for both programs and approximately the same expenditure? The answer is that native people are employed for one-quarter of the time other people in the community services project are employed. Can we call those equal jobs when native people in the country are employed for one-quarter of the time of the other group?

I suggest to the minister that we might be able to move more quickly to understand the legislation if we began to use numbers and figures which had a common definitional base so that we all knew with the same degree of understanding what we were talking about. I should like to continue on that vein for just a minute.

When I first got the minister's statement on his programs and the background pages, I had someone in my office add up the number of jobs supposedly created, and it came to 192,000. Then I went and looked into it a little more closely, and some were listed as new program, some were old program, and some were continuing program. We went to the minister's office and got a complete list of the new programs. In the meantime the minister was in a press conference and announced 81,000 jobs. Some diligent reporter continued to inquire, and officials said that it would be 31,000 jobs. After the inquiries here today, I think we now have the kind of very simple data base which most of us understand. If we have an employer tax credit program about which the parliamentary secretary told us, the data shows that it created about 45,000 jobs last year. The minister told us that those jobs were created on the basis of $65 a week. Approximately 45,000 jobs were created by the employer tax credit at $65 a week.

Now we have from the minister an indication that the bulk of the programs he announced in the House in terms of direct employment creation cost between $200 and $260 a week. They are at least three times as expensive as the employer tax credit. If that one creates 45,000 jobs, then using the same base, the minister's announcement in the House would have to be 15,000 jobs. It would not be 31,000, 81,000 or 192,000 jobs, but 15,000. But those 45,000 jobs created by the employer tax credit are within a defined fiscal year. In response to our questions today, the minister told us that his $137 million goes over two years. So, if we take the 15,000 jobs and divide it in half, because half will be this year and half will be next year, then the announcement dealt with 7,500 jobs. It will be 7,500 jobs for a $137 million announcement. It has taken us several days in the House of persistent inquiry to get answers to enough questions to be able to lay that out for the House of Commons and the Canadian people.

When we talk about employment creation, employer tax credits and things of that kind which come under the minister's purview, I hope he would tell us about the cost per week. I hope he would add up the number of weeks of work and the number of weeks of training, that he would report data, and put out his press announcements in that format. It would enable all of us to understand in a common way what is involved in the minister's program. There is a great deal of difference. In a time of unemployment that is well in excess of one million people in Canada today, it makes a great deal of difference whether the government is providing work for something like 200,000 people or 7,000 people. The problem is significantly reduced if we are providing work for 200,000 people. When we are providing work for 7,000 people, it is important to those 7,000 people, their families and the people dependent upon that income. But it tells us clearly in the House of Commons that we do not have a program in place which deals with the serious unemployment problems existing in Canada today.

I want one other indication from the minister about another number that is important to me. I have asked it in a variety of ways on three separate days. I will put it in the following context. Wood Gundy, a respected organization in Canada, indicated that in the next fiscal year its projection of unemployment on average will be in excess of 9 per cent. Last month in Canada it was 7.8 per cent. Does the minister have any information from the Minister of Finance, from his own officials or from any other source, which would enable him to stand in the House at this moment and tell us that there is good reason to believe unemployment will not get to that 9 per cent level and stay there pretty much in the next 18 months? Does he have good reason to suspect that we are not looking at the most severe unemployment problem this country has ever seen, and that we are looking at it for an extended period of time, at least 18 months and maybe longer? Does the minister have good reason to tell me not to accept that forecast?

Mr. Axworthy: Mr. Chairman, as I told the member before, I am very reluctant to get into the art of black magic and start predicting all kinds of numbers. I would not want to claim the same degree of prescience Wood Gundy has attained in the past when it has been so accurate in its forecast of the stock market. But if the member is looking for some light at the end of the tunnel, some small glim of optimism, at least I would refer to the survey conducted by Manpower Temporary Services of Toronto. It did a very major survey of

personnel managers across Canada. If I may, I should like to quote from the survey:

Despite worries about the depth of recession, employment prospects across Canada for the next three months are still fairly bright according to a national survey conducted by Manpower Temporary Services.

I hope that will allow the member to go to bed with some degree of calm and patience this evening, knowing that while Wood Gundy may be trying to plunge us into the depths of despair, Manpower Temporary Services still has a ringing note of optimism in its survey.

Mr. Hawkes: Would the minister comment on a quote of the Minister of Finance which was reported today? It is dealing with unemployment. He said that the actual outcome could turn out to be much worse for this year. In our previous discussions on this bill, the minister indicated that the average projection of 8 per cent of the Minister of Finance was allowed to stand. On the basis of the last couple of days, is he getting any indication from the Minister of Finance that perhaps the unemployment forecast should be revised upward? What does the Department of Finance indicate?

Mr. Axworthy: Mr. Chairman, simply I would refer the hon. member to page 2375 of *Hansard* where the statement of the Minister of Finance relating to his forecasts on employment and unemployment is very well set out and very precisely stated as only the Minister of Finance can do. I refer this for the member's information. If he wants the most accurate forecast, that is exactly from the mouth of the Minister of Finance. I would not even pretend to be able to equal his ability to make that kind of judgment.

● (2110)

Mr. Hawkes: I wonder if the minister read the statement made by the Minister of Finance today. I think that the statement he quoted in *Hansard* is an historical statement. The Minister of Finance is quoted as saying:

I cannot rule out the possibility that the unemployment rate may rise even faster than this figure would imply.

The figure he is referring to is the original estimate of 8 per cent.

Mr. Pinard: What page is that?

Mr. Hawkes: This is an article out of a newspaper.

Mr. Pinard: Oh, I see.

Mr. Axworthy: Mr. Chairman, in my short experience in political life I have learned to go to the official record rather than to rely upon press reports, which have been known at times to somewhat distort the remarks of politicians, particularly ministers of finance.

Mr. Hawkes: I would ask the minister the following: If in some magic way he could be provided with another $500 million, does he think that he has the kinds of programs in place which could absorb this kind of money and would produce useful employment for Canadians?

Mr. Axworthy: Mr. Chairman, if the hon. member is suggesting that we have a kind of a Christmas grab bag of goodies, I would simply say to him that the kinds of requests and demands made on this government for a variety of expenditures in the job-creation field far exceed our money supply, It is one of those cases where, if there is an inflationary push, it is for government action and supply that we cannot match. Of course $500 million would be welcome at any time, if the hon. member is prepared to provide it.

Mr. Hawkes: This is my second occasion in Committee of the Whole on different bills. The other occasion concerned a bill to create a minister of social welfare. I would like to ask the minister a similar type of question. Given the minister's assertions about caring about the disadvantaged of the country, the need to help women and native people, is he satisfied representing a government that allows the importation of oil, and the subsequent subsidy, to rise? The original projected expenditure of $2.6 billion has now been revised to in excess of $4 billion. Given the nature of world price rises which are coming into the neighbourhood of $5 billion in subsidies, this brings us very close to 10 per cent of the total federal expenditures and well over 12 per cent or 13 per cent of the money which is raised. Certainly it is a sum which is considerably more than the $100 million which goes into the employment tax credit or the $137 million of the other program which is spread over two years.

Does the minister consider the subsidization of oil to be a greater social priority on which to use taxpayers' dollars than programs, for example, which help create jobs, and help create higher pensions for senior citizens? Is the minister satisfied with the direction in which the government is going? The minister is a member of that government and a member of cabinet.

Mr. Pinard: That is not relevant to the bill, my friend.

Mr. Axworthy: Mr. Chairman, the hon. member is straying into another area of debate. Personally, I believe that in this country there must be some fair degree of equalization of the costs which are borne. If one of the prices of being a Canadian is to ensure that the people in the maritimes are not required to pay far more exorbitant rates for their energy than the people in Alberta, then that is a fair price which I am prepared to pay as a Canadian.

With regard to the hon. member's comments about my feelings for the poor and disadvantaged, one of my motivations to work so hard for the defeat of his past government was the idea that the 18-cent increase on a gallon of gas would be borne most heavily by average Canadians, to the point of several hundreds of dollars per year. That was something which Canadians will simply not tolerate and which they cannot afford.

Mr. Hawkes: I cannot leave that pass, Mr. Chairman. The person who owns the Cadillac with the great big gas tank gets more benefit out of that subsidy than the senior citizen who does not have a car. That has always been true. It is the rich of

this country who are being subsidized by the oil import pricing system. It is a different issue to equalize the pricing system across this country. The policy issue in terms of expenditure—

The Chairman: With all due respect to the hon. member, the debate seems to be straying from the bill which is before us. May I invite both the minister and the hon. member to confine their remarks to the bill.

Mr. Hawkes: Mr. Chairman, I find that I am intrigued by that shifting data base. In light of the information which the minister has provided to us today, and I thank him for it, I am persuaded that the bill which is before us needs amending. I think we are looking at a long-term unemployment problem. I would therefore move that:

1. Subsections 7(2) and (3) of the Employment Tax Credit Act are repealed and the following substituted therefor:

"(2) For the purposes of subsection (1), the "program period" commences on march 8, 1978, and ends on March 31, 1984.

(3) No agreement may be entered into under subsection (1) after March 31, 1983, and an agreement entered into in respect of eligible employment that commences after that day is of no force or effect."

(4) Notwithstanding subsections (2) and (3), before March 31, 1983, the dates referred to in subsections (1) and (2) may be replaced by such future dates as specified in a joint resolution of both Houses of Parliament.

The Chairman: Before ruling on the amendment, the Chair would call the attention of the committee to the fact that clause 1 is under discussion at this time. The Chair would like to defer ruling on the admissibility of the amendment and the form in which it came before us until it has had an opportunity to study the amendment in detail.

I would invite hon. members to consider the discussion of clause 1 which is before us. I propose not to rule on the admissibility of the amendment until I have had an opportunity to examine it.

Is the House ready for the question?

Some hon. Members: Question.

The Chairman: Shall clause 1 carry?

Some hon. Members: Carry.

The Chairman: For the purposes of proceeding, the Chair will accept the amendment placed before the House on clause 1. Shall I read the amendment?

Mr. Axworthy: Dispense.

Mr. Hawkes: May I speak to the amendment?

The Chairman: There has been a request that the amendment be read. It is moved by the hon. member for Calgary West, seconded by the hon. member for Burlington:

1. Subsections 7(2) and (3) of the Employment Tax Credit Act are repealed and the following substituted therefor:

"(2) For the purposes of subsection (1), the "program period" commences on March 8, 1978, and ends on March 31, 1984.

(3) No agreement may be entered into under subsection (1) after March 31, 1983, and an agreement entered into in respect of eligible employment that commences after that day is of no force or effect."

(4) Notwithstanding subsections (2) and (3), before March 31, 1983, the dates referred to in subsections (1) and (2) may be replaced by such future dates as specified in a joint resolution of both Houses of Parliament.

The Chair has ruled that the amendment is in order. The hon. member for Calgary West may speak to the amendment.

● (2120)

Mr. Hawkes: If I could just take a minute or two I will explain the intent of the amendment. Of course the government has a majority and so can pass or reject this amendment, but on this side of the House we are persuaded that the country is facing a fairly long and very severe period of unemployment. I think it is clear from the minister's own testimony that through an employer tax credit provision there will be a maximum increase in publicly supported employment for a minimal dollar cost.

The intent of my amendment is to extend that provision for an additional two years. I think this would probably see us through most of the unemployment crisis because it is an employer tax credit program and it could defer the expenditure to as late as 1989. Not every employer would claim the tax credit immediately and the budgetary situation might ease in the years ahead. That is one of the advantages.

The additional clause which I propose would provide maximum flexibility for change through a joint resolution of both Houses, and also, the date could be altered. I think the mechanism for altering the date would enable the government to provide the greatest possible number of jobs at the lowest possible cost. The official opposition is convinced that those jobs are needed today and that they will be needed in the future. We would like hon. members on the government side to give serious consideration to the amendments and to vote for them.

The Chairman: Is the House ready for the question?

Some hon. Members: Question.

Amendment negatived: Yeas, 12; nays, 28.

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: Now.

Mr. Axworthy moved that the bill be read the third time and do pass.

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

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed from Thursday, June 19, consideration of the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Miss Coline Campbell (South West Nova): Mr. Speaker, I shall be very brief as I have a short time left to me from the last time we debated Bill C-3. At that time I referred to the reduction in the amount of time that is needed for someone to earn an unemployment insurance stamp. I noted that although the time period had been changed in a previous amendment, this year the Unemployment Insurance Commission had decided that a reduction in the length of time was required.

Before criticizing this particular regulation that was introduced recently in this House by the minister, I should like to point out that the existing regulation had also been changed to make the required period 20 weeks or 30 per cent of maximum insurable earnings. Now that is to be changed again, to 15 weeks or one-fifth of maximum insurable earnings as the time requirement to earn one stamp. This indicates to me that 20 hours of employment per week, or 30 per cent of maximum insurable earnings, cannot be provided to workers at all times. This hits very directly at one segment of society—part-time workers, and women in particular.

The last time the bill was before the House I pointed out this difficulty and commented that it would be very hard for this group to find employment. I have pointed out in committee and in the House that it might be better to combine two weeks in order to qualify for a stamp, but apparently the commission decided that there should be a regulation to reduce the period. This zig-zag from one year to the next is very unfair and it is difficult for people to know how much they must earn in order to qualify.

It seems to me it would be more advantageous in areas such as the one I represent if an employer were able to give a stamp for two weeks combined, rather than the period being reduced as is done by the regulation.

It is possible that the task force is considering this proposition, but at the present time the confusion that has been so much a part of unemployment insurance amendments and regulations in the past few years, still exists.

I would remind the minister that in the notes on the employment program and community development projects that he passed out to members of Parliament, he stated:

> Members of Parliament and local advisory groups will be consulted by the minister in the decision-making process and funds will be allocated to all constituencies on the basis of unemployment.

This is the reason I have raised the subject tonight as well as other occasions, and why I will raise it again in the future, until the basis of unemployment has been regulated by the minister and the Unemployment Insurance Commission.

I should like to return to the question of the use of the variable entrance requirement based on the economic region. The last time I spoke, I mentioned the use of this factor which came into effect last July. It has led to confusion in those areas of the country where it is being administered. People do not know, from one month to the next, how many weeks of insurable earnings they need in order to qualify for benefits by next November, December or January.

• (2130)

I would like to reiterate that the economic region-unemployment insurance rates been used by unemployment insurance offices, and by that economic region rate I mean that employed by Statistics Canada and used by the unemployment insurance offices. The other night I tried to show to the House the difference and the handicap. It is not only under the variable entrance requirement or under the extended benefits or just in the ability to go into, let us say, the employment programs, it is the harshness that it brings about. Yet, if one looked at the labour surplus rate, which I defined earlier, as the number of regular beneficiaries as a proportion of the labour force, we would look at South West Nova and see that a difference existed between the labour surplus rate and the unemployment rate as indicated by Statistics Canada under the economic region. In fact, it shows such a different picture than the use of the Statistics economic region. The labour surplus rate in South West Nova last year was 13.3 per cent compared to a labour surplus rate of 12.8 per cent for the economic region unemployment insurance rate. The reason that the two sets of data are different, as I have said before, is probably the result of the statistical problem in estimating labour force and unemployed data from a sample that may be too small as used by Statistics Canada.

If we had true statistics, and if one used just the unemployment office in that area, the figures would probably show that in South West Nova the unemployment is as high and as severe as any other economic region in the province. I am substantiated in my theory by the benefits paid out. If one looks back to January, 1978, January, 1979, and January, 1980, by taking that particular month we find that in January, 1978, the total benefits paid in Yarmouth were 15 per cent of the total benefits paid for the whole province. If one looks at 1979, it was 16 per cent, and in 1980 the figure was again 15 per cent. That includes the fact that there were many people who qualified in 1979 who did not qualify in 1980 because of the use of the variable entrance requirement. It is a very severe handicap. It shows that there were 7,046 beneficiaries in January, 1980, at the Yarmouth unemployment office. This is out of a total of 44,552 beneficiaries in Nova Scotia.

That would be about 15.8 per cent of the total beneficiaries in Nova Scotia. Yet if we take a look at the figures for January, and by assuming that January has the highest number of unemployed, and by assuming that in South West Nova the critical unemployment period is in the winter from November to February, and by assuming the estimated impact of Bill C-13 in a district office area of Yarmouth in 1979-80, by taking the individuals who were prevented from establish-

ing a claim either because they were a repeater or because of the new entrance provision, there were approximately 1,170 people affected.

By adding that figure to the 7,046 registered beneficiaries, we come up with about 8,216, which is approximately 18 per cent of the total for the province of Nova Scotia. We are looking at 18 per cent of the total beneficiaries in Nova Scotia, and one has to consider that in that area we have probably about 7 per cent of the total population of the province and probably some of the lowest salaries earned in Nova Scotia. If we look at the federal-regional rate scale, it shows that South West Nova has the lowest salary scale in Nova Scotia.

I reiterate this point, because I looked at *Hansard* the other night and perhaps I did not make it clear enough then as to the acute problem that the continued use of variable entrance requirement will create in South West Nova. I look at it again in light of the fact that I reviewed the projects under this bill, and I have to say that I am upset that we are continuing the use of the variable entrance requirement. First, people in South West Nova do not have a definite amount of time that they must work in order to qualify. Second, the use of the money under the new financing arrangement is not going into job creation.

I stop at that point because the use of the unemployment insurance rates based on economic regions in South West Nova has had a cruel effect in that area because of the amount of employment created by the employment programs. I say this because in the past under Canada Works it was based on the unemployment rate. If you go to employment strategies it was based on unemployment rates, based on an economic region which did not truly give a good sample of the population that was unemployed in that area at specific times in the year. It goes back to the need for all sorts of employment programs, such as the employment tax credit which does not apply directly. It has some application in the area but it perhaps created about $100,000 worth of job creation last year out of a total package of whatever was used in government tax credits. Yet, that type of employment incentive does not apply to a rural area where the business end of it cannot take that up as a program. They need economic employment stimulation.

I want to say again tonight that I look forward to this bill in committee. I look forward to pressing the minister to find a solution. I ask him not to wait for two years and have two winters of hard times where the unemployment rate for stamps in a given area is not known. I will continue to press this, particularly in light of this bill, and I look forward to seeing what happens in committee. I must say that I find it hard to think that the Unemployment Insurance Commission needs 18 months. I am glad that there is another study under way, but I hope that there will be lots of consultations with the members. Perhaps in the future some of the members will be listened to in terms of the problems which have been suggested to the minister in the past, here in this House and in committee.

I thank the House for the time allotted to me. I am sure there are many other speakers who wish to speak on this bill and I look forward to the bill coming to committee.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I welcome the opportunity to speak on Bill C-3, an act to amend the Unemployment Insurance Act. I am disappointed that the Minister of Employment and Immigration (Mr. Axworthy) is not in the House. I realize that he has just had one bill passed. However, I feel that he will have difficulty in putting this one through.

I am very happy to follow the hon. member for South West Nova (Miss Campbell). I wish to comment briefly on an item which she overlooked. In the press release in which the minister announced Bill C-3, he noted that the government plans to introduce regulating changes that would alter the minimum insurability provision. Instead of being required to work 20 hours per week, it would be 15 hours per week.

● (2140)

There is a very serious discrimination against pregnant women who require unemployment insurance benefits. While the minister has looked at the part-time workers, he has discriminated against what is called the magic ten area of women in the work force.

I wish to relate some of my remarks this evening to problems in Kootenay East-Revelstoke, one of the highest unemployment areas in British Columbia. We have the problem of people having to drive between 90 and 100 miles to register for unemployment insurance. The office is so busy that their applications are sent to Terrace to be processed, approximately 1,100 miles away. These people who paid into the unemployment insurance program while in the work force, and through their employer and the government, have to wait through this procedure.

What I resent even more than that kind of procedure is the fact that I received a letter from the Minister of Employment and Immigration just recently telling me that he would prefer if I would deal with problems of unemployment in my riding because his ministry is too busy to deal with them personally. He tried to encourage me to deal with them in my own riding. How can I do that when applications are sent 1,100 miles away to be processed?

I want to deal further with what is happening in my riding. On January 3 there were seven explosive workers who worked on a contract in Fernie. The contract was in a special area of work. The Kaiser resource employees took a strike vote and went on strike January 3. Even though these seven explosive workers were not part of that contract, they were laid off. They received notification from their employer that they were being laid off because of a strike.

These workers applied for unemployment insurance. After driving 100 miles to apply and then back home, they were told they did not qualify and must therefore appear before a court of revision, although a court of revision had been held prior to that on a similar claim that year. The unanimous decision of that court of revision was that these employees would qualify and they were therefore paid.

The unique part of this is that of the seven employees, five were from British Columbia and two were from Alberta.

Therefore the five were heard in the province of British Columbia. It was the unanimous decision of that court of revision that they should be paid. The two who went to Alberta appeared before a board of referees. The Alberta decision was also unanimous that they should be paid.

Those seven employees are being subjected to something else. The Unemployment Insurance Commission is going to appeal that decision, taking it to a board of referees. Although this took place on January 3, those employees do not yet know when they will go before an umpire for a decision. This is a cowardly attitude on the part of the Unemployment Insurance Commission. The situation in which these employees found themselves was unavoidable. They had no strike vote and no decision as to when they will return to work, yet they are compelled to go through this kind of procedure.

The decision of the umpire has not yet been finalized. However, if the decision is against those employees, it can be used in any similar incident. The employees do not have the resources to protect themselves. There are another 40 employees of Sawchuck Trucking involved in the same dispute. They, too, have been told they have to appear before a board of referees. After having been out since January 3, only half have been called in for the referee's decision and half are still waiting. They may have to go through the same procedure.

I think that before the minister and the government bring a bill into this House, they should clean up the act we now have. Let us begin to recognize the needs of these people. It is a tragedy that those who pay into the program have to wait for these kinds of decisions. The employee, the employer and the referees all agree, but they have to wait for the commission. That is very wrong. I agree with the process, but I disagree with what has happened in this case.

I wish to talk a bit about what we should be looking at in our unemployment insurance program. There are almost a million people unemployed, and we have an unemployment centre that does not have the true feeling of the people. That is of great concern. The attitude of the unemployment centre at this time is to try to deny the unemployed person the benefits, for which he has paid. It is time the Minister of Employment and Immigration called in the top union executives and business people to sit around the table and begin looking at where we are going in Canada today. What are we going to do about our problems? We have one million people unemployed. There are people not paying into the program. Possibly I should relate some of the revenue we are losing.

It is important to note in this connection that for every one job created in producing a resource, another six are created in processing it, and yet these are the jobs we export. Unemployment now costs us $5 billion annually in lost production of goods and services, $1 billion in federal tax revenues, $5 billion in unemployment insurance pay-outs. The pay-out for unemployment insurance in 1981-82 is estimated at $5.2 billion.

The minister comes in with a bill that will reduce the application date for part-time workers. The minister and the government should be ashamed with what is happening. The bank interest rate in Canada today has virtually closed down the housing industry in British Columbia. The lumber industry is almost at a standstill with regard to new development and so on. There are lay-offs in those industries. There is a need for housing yet we are paying out unemployment insurance—when the commission decides to do so. What are we doing?

● (2150)

I asked the minister about an Outreach program which would try to help some of these people. I travelled to Windsor with a delegation of our group and I saw some of the problems in the Windsor area, also. I witnessed the unification of that community in an effort to relieve some of those who are suffering because of lay-offs in the auto industry. If the minister does not realize the gravity of the situation, it is about time a delegation from his party began to travel the country to see at first hand what the needs of the people are.

I want to talk for a moment about the waiting period under the unemployment insurance regulations. Take the case of a man who has been working for a company and who is suddenly laid off. He is in serious trouble to begin with, but now he is confronted with a waiting period. It is as if a man found himself obliged to go to hospital only to be told he had to wait for two weeks for hospital benefits because he did not qualify for treatment. Assistance is needed right away.

In British Columbia, people come into my office in Cranbrook on an almost daily basis with grievances of this kind, and I am told to phone the social welfare office. I say to the minister that this is not a social problem, it is an employment problem, and we should be regarding it in that light. We should not be looking after people under social programs paid for by the taxpayers when the situation has clearly been brought about by a slowdown in industry.

I should like to refer to a communication dated June 26, 1980, which was sent to all members of Parliament by the Minister of Employment and Immigration. Indeed, I should like to read it verbatim before commenting further. It states:

As you know, my portfolio embraces a number of important programs which are highly visible at the local level. Employment counselling, placement, unemployment insurance and immigrant settlement, to name but a few, are examples of the day to day services rendered in the community by officials of Employment and Immigration Canada.

The focal points for the delivery of these services are the local Canada Employment Centres—

In my area, it could be Cranbrook, or it could be Penticton, or it could be Terrace.

—and for immigration matters, the Canada Immigration Centres.

I would like to invite you and your staff to take full advantage of the expertise in the local offices of the commission when constituency needs arise in relation to any of the above programs. I am sure you will find the CEC and CIC managers to be knowledgeable, conscientious and responsive to the requirements of their clients.

While recommending that you bring constituency matters to the attention of my local office managers to better facilitate—

In Creston, which is about 65 miles away from Cranbrook, there is a suboffice, but the suboffice is only allowed to take in material and send it to the central office, and the central office sends it wherever it may be necessary. I believe that

when there are problems of this magnitude it is the responsibility of the department to make sure there are staff who can attend to the needs of the people affected and give them the service to which they are entitled.

One of the main causes for complaint in my riding is the length of time taken to process claims. I believe responsibility rests squarely on the Government of Canada because the local offices do not have the staff to enable them to carry out the work which has to be done. I appeal to the minister to take a more serious view of the unemployment situation in Canada and to bring down a bill which will establish much better facilities than exist at the present time.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I should like to share some of my thinking on this bill. To my mind it appears to be a chiselling bill from a chiselling government. It reminds me of the time I first became aware of some of the unfairness attached to unemployment insurance as it was first introduced, when I was growing up in the forties. I remember when my father paid into this program and then, when the time came for him to collect, he was not able to do so because of a technicality. Later he was a seasonal worker on construction and always he faced the question of whether or not he would have enough unemployment insurance stamps to enable him to collect insurance after he was laid off.

Unemployment insurance was not the icing on the cake for our family in those days. Rather, in times of unemployment it was our bread and butter. Thousands of workers across Canada and their families shared this reality. In my work with native Indian people on the north coast of British Columbia, I saw how important this same question was to seasonal fishermen and cannery workers. We have built the Canadian economy around the need for seasonal workers, but we have denied those workers all but a few crumbs from the table of Canada's plenty.

In 1971, with the passing of the Unemployment Insurance Act in its present form, we took a large step forward from the days back in 1940 when unemployment insurance was introduced for the first time. Unfortunately, 1971 was the high point. Since then the government's desire to provide a measure of economic security has been steadily weakened by a false set of priorities. Any commitment to economic justice has been over-shadowed by the cloud of unemployment which hangs over this country. Unemployment may not have been what the government wished for the Canadian people, but it is what the government has brought about as a result of its mismanagement of the economy.

The government has failed to deal with the need to provide jobs for Canadians. Instead, it has looked at the growing amount of money needed to finance the unemployment insurance fund and has found ways to chisel out of its commitments. Bill C-3 is only the latest in a depressing series of bills which have chiselled away at the 1971 program. The government goes backwards instead of forwards.

In his speech introducing the bill the minister said the amendment would lower the government's share of the cost of unemployment insurance. In 1979 the government's share of the cost amounted to 31 per cent. Under the new regulations it will drop to 20 per cent. The extra costs will be shifted on to the backs of employers and workers, a most regressive move. However, this allows the government to weasel out of its earlier commitment. We all know that unemployment insurance is expensive—too expensive to the tune of $5 billion a year.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

ADMINISTRATION OF JUSTICE—DEALING WITH GRIEVANCES OF RCMP OFFICERS

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, first of all I want to express my appreciation to the Solicitor General (Mr. Kaplan) for being here tonight. He will remember that on May 30 he indicated to me that he hoped to bring in some legislation to deal with some of the inequities which presently affect members of the RCMP and that he might answer some questions about individual grievances.

I see that two of the outstanding grievances involving former members McCleery and Brunet have been dealt with. I am sorry to say that they have been dealt with in a very summary way because it appears that the Solicitor General did not even bother to intervene himself but turned it right back to the commissioner again. I would like to ask the minister tonight to explain his philosophy about his ministry and whether he is content to leave not just the management and control of the force to the commissioner but also the guidance and direction with which he, as minister, is charged under the act.

We do not have much time this evening to discuss the issues very fully, but I do want to take the opportunity to ask the minister if he will deal with another grievance which has been long outstanding, that of a member named Danch in Nova Scotia, whom one of his predecessors indicated he would view sympathetically in that the man won his case in the Federal Court but was left with a fairly large legal bill which neither he nor his solicitor has been able to persuade the government to pay.

There are also grievances which are not long-standing, but they are current, and one might say they are pending. I was disappointed that the Solicitor General did not answer my letter which I wrote to him over a month ago involving a man

named Robert McGarry, an informer of the force. I explained to the minister that I thought it was something he should look at personally, and I gave him some names. I am reminded of the time when I wrote to a former solicitor general about Warren Hart. I got no answer then either until I raised the matter in the House of Commons, so I reluctantly ask the minister tonight, would he please—and I will put it on the record—interview some of the people about whom I told him in my letter of May 22, to see what the situation is?

It appears to me—I may be wrong, and only a proper investigation can tell—that this man McGarry has been subjected to extreme pressures by one or more members of the force and perhaps has been asked to perjure himself in the process. Some of the spin-offs are going to be before the criminal courts. I do not want to be too specific, but I do ask the minister again to look into the matter and to interview people like Superintendent Yelle and Inspector Boivin. I have reason to believe he would get good, reliable information from Sargeant Gilles Boudreau and Corporal Mineault. I also ask him that these men be given every courtesy and not in any way be discriminated against or affected because of circumstances which may or may not exist here.

It seems that every time that one brings out a grievance—and there are many involving someone in the force—that there are unfortunate repercussions, and I hope the minister will be able to confirm tonight, speaking of that, that the matter involving the Association of 17 Divisions is not controversial any more and that members of the force are perfectly free to talk about it and to be active in it, because the minister well knows that it has been four years since the Marin commission of inquiry recommended certain changes, and to this date nothing significant has been done.

I take the minister at his word that he will do something before the summer, if at all possible, to bring in some changes.

This brings me to the last point, which I think is very important, because this is something which ought to be a high profile matter of concern to the Solicitor General. I will refer him to an article by Nick Auf der Maur in the Montreal *Gazette* of Wednesday, April 9, 1980, in which this columnist raises a point about one man, although he does not know the name of the corporal, whose name is James Wood, whom I have known for some years. This is the man who was widely credited with much of the good work which resulted in the expulsion of 11 Soviet spies not too long ago. This man has not been treated properly, and I think Nick Auf der Maur has summed it up fairly accurately, according to my knowledge of the matter. I will read briefly from his column, as follows:

● (2205)

It has been a little over two years since Jamieson and the RCMP justly and proudly revealed their coup. There has been no further word.

Meanwhile the agent who could be touted as a genuine Canadian hero ready to risk his life, has been languishing in Ottawa.

He has received no promotion, no bonus, not even a token little medal in recognition of his services.

There are rumours he is under heavy pressure to accept an RCMP transfer to oblivion. Why wasn't he given the hero treatment lavished on Ken Taylor? Why was he never given any credit, even in private, let alone in public? Why does the RCMP treat its heroes as suspects?

This is an extreme case. Corporal Wood does not feel comfortable going before the McDonald commission, without his own independent counsel. In the past the government has paid independent counsel's fees. They have paid the fees of Warren Hart's counsel. They have paid the fees for McCleery and Brunet's counsel, as well they should. They have paid counsel fees for one of the minister's predecessors, the Hon. J. P. Goyer, and I have no quarrel with that. But why do we have these instances where there is so much apparent injustice?

I am asking the Solicitor General to take seriously the powers that he has to guide and direct the force, not to interfere but to look into some of these things personally. It can be done, it is not difficult. By way of example, let me point out the case which you might remember, Mr. Speaker, of a lady who practically used to freeze herself to death outside the House of Commons for months looking for redress. It was possible to do something for her, not a great deal, but something to relieve her. You need not tell me that the minister cannot do these things if he wants to.

I hope my friend the Solicitor General will look into some of these grievances, and there are many of them, and that he will do something to identify with some of the rank and file, to use a labour expression in the force. I do not doubt his good will but I expect he is under enormous pressure from those people who are close to him, and I urge him to take a more humanitarian and direct interest in some of these cases. If he errs in judgment, he will only earn respect for it because, if he is not right, he will be on the side of right.

Hon. Bob Kaplan (Solicitor General): Mr. Speaker, I appreciate the spirit in which the hon. member made his remarks, and I want to assure him that I do move beyond what he tonight called a closed circle, or the upper echelons of the RCMP, in trying to make the right decision in exercising direction over the RCMP, because I recognize fully that it is my responsibility to provide direction to the RCMP under their statute. I am aware of my responsibilities, and I believe I do exercise them.

However, that is not to say that I necessarily agree with the positions that are put to me by a variety of people, including the hon. member. He mentioned and I have mentioned before, the long over due RCMP act based on the recommendation of the Marin commission. This commission reported four years ago, as the hon. member said, and, by rights, legislation should have been brought in immediately following reception of that report because it contained very good advice to the government, and it will definitely make many of the internal procedures of the RCMP more fair and equitable. I think that the best way for me to deal with some of the matters to which the hon. member has referred and called inequitable is to do my best to bring that legislation forward rapidly, and that is exactly what I intend to do.

I want to deal with some of the specific cases to which the hon. member referred. He referred to the cases of McCleery and Brunet and argued that I have done nothing. In fact I

made the same decision as his own government did when they were in charge of the matter and when my predecessor, Allan Lawrence, was directing the RCMP, which was not do anything for Brunet and McCleery. That was the conscious decision which my precedessor made, I assume, and I have made the same decision. I made it after asking for legal advice from the law officers of the Crown about what options I had.

I learned that I could not directly reinstate an officer of the RCMP even if I had wanted to, but I did not have that authority. While the commissioner had the authority to do it, under those circumstances the legal opinion was that he could only do it if he felt, on review of the situation and of the past circumstances, that natural justice had been denied to the individuals concerned. I bluntly asked him that question in a formal way. I asked him to review the circumstances and, since he has the discretion, I asked him to let me know whether, in his view, natural justice had been denied to Brunet and McCleery. He informed me in due course that it had not, and therefore he was not prepared to take action. I have not been ignoring the matter. I have addressed it, and I decided to do what my predecessor did, which was not to take any action on their behalf.

I could refer as well to Danch, McGarry and the Association of 17 Divisions and the efforts that I made to establish good relations with the Div-Reps who are the recognized group through whom I operate in trying to deal with the concerns of the rank and file of the RCMP.

● (2210)

ROYAL CANADIAN MOUNTED POLICE—ALLEGED SUPPLY OF WEAPONS AND EXPLOSIVES TO NATIVE COMMUNITY IN B.C.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I should like to associate myself briefly with the remarks of the hon. member for Central Nova (Mr. MacKay) who has been doing an excellent job in this House for some years now in raising concerns about the questions of discipline and the lack of natural justice in the disciplinary process of the RCMP. I assure the hon. member for Central Nova that we in this party fully support the efforts which have been made and will continue to be made to bring some natural justice to this process.

My remarks tonight are a follow-up to questions I raised with the Solicitor General (Mr. Kaplan) on May 26 concerning the report of the McDonald commission. I should say that since my question on that date the commission itself has made a ruling which certainly affects substantially the question I asked and, indeed, the answer the Solicitor General gave to my supplementary question.

The concern which we on this side of the House have in dealing with the McDonald commission report is that there was a series of allegations made throughout the course of the hearings of the McDonald commission. Some of those allegations were made in private, behind closed doors, and others were in the public eye about wrong doing. That doing consisted of any number of criminal activities. It included forgery, theft, illegal opening of mail, violations of the Income Tax Act, arson, impersonation, breaking and entry, and a number of other similar offences.

In addition we are quite frankly concerned about the level of knowledge of the political masters of the RCMP before and during this particular period of time. We are concerned to know to what extent the political master of the RCMP at the time, the solicitor general, turned a blind eye to the illegal actions which were being taken by members of the RCMP. We are concerned to ensure that it will not just be members of the force at the junior levels against whom criminal charges are laid. If there has been evidence of illegalities, certainly criminal charges should be laid. But it is not only those persons who should carry the can, in effect. Indeed if there was knowledge and acquiescence on the part of their political masters, they too should accept responsibility and that responsibility should be carried out, where necessary, in the form of a sanction under the laws of this country.

The concern we have is that the evidence of wrongdoing, according to the commission, will not be made public. The evidence of individual actions of wrongdoing will not be made public. The legal conclusions which are drawn by the commission in examining evidence of wrongdoing will not be made public. The submissions on that question are to be made privately. The Solicitor General assured the House that, in particular, references to individuals in connection with various allegations will be made public. I certainly hope the Solicitor General intends to carry out this particular mandate.

The concern we have is that because of suggestions of involvement at some fairly senior levels on the part of former colleagues of the Solicitor General, it is not good enough to tell the House and people of Canada that this report on wrongdoings by the security service of the RCMP will be compiled, that the submissions with respect to individual wrongdoing will be kept secret, and then it will be up to the government of the day to decide what to do with those particular recommendations and, indeed, decide whether or not to make those recommendations public.

We have seen too many instances in the past of the disrespect on the part of the government and members of the government opposite for the law and for judges in this country. I need only refer to a few instances over the past several years. There was the Sky Shops affair involving influence peddling. There was a former public works minister who picked up the telephone and called a judge, when one of his colleagues was cited for contempt by that judge. I refer to Mr. Drury. Indeed, his colleague, Mr. Ouellet, was cited for contempt and convicted of contempt of court in the province of Quebec. Francis Fox was not convicted, but he was forced to resign because of an improper signature on a form with which he was involved in his past. John Munro picked up the telephone to call a judge on behalf of one of his constituents. He is the hon. member for Hamilton East. I see that my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), is looking around. I realize that I should be naming ridings instead of names, and I apologize for straying from that formality.

● (2215)

Mr. Knowles: Hear, hear!

Mr. Robinson (Burnaby): The concern that we have—and I hope to have an assurance from the minister on it—is that any evidence not only with respect to violations of criminal law but which might lead to disciplinary action on the part of the RCMP, and evidence which might point to acquiescence or to actual knowledge on the part of former solicitors general, will be made public.

My final point is that I would like to hear a comment from the Solicitor General with respect to the suggestion which I made in committee and in this House, that the full report of the McDonald commission be considered, if necessary—and, indeed, it would be necessary when dealing with certain aspects of the report—in an in-camera session of the Standing Committee on Justice and Legal Affairs in order that members of Parliament, on all sides of the House, may have an opportunity to provide input into the very important questions of the accountability of the RCMP and the political accountability of the people who govern the RCMP.

Hon. Bob Kaplan (Solicitor General): Mr. Speaker, I have been accused by the hon. member from time to time of hiding behind the McDonald commission and wanting to delay everything until the report is completed. Since that is the subject of tonight's question, I would remind the hon. member that before he came to this House his party was certainly as active as any other party in pressing that this commission be established, that it be given broad powers and that it not be limited in any way.

The commission was set up in response to that type of representation, which, as I say, came not from only his party. Now that it is established and taking a long time in doing its work—longer perhaps than anyone expected—but doing a very thorough job and demonstrating daily its independence—it is a luxury which only the opposition can have, to turn on the commission and argue that, without waiting for it to complete the job for which it was set up, we should begin to expect the Attorney General (Mr. Chrétien) and the attorneys general of the provinces to be laying charges.

Only the opposition can have it both ways and argue that an independent commission be set up, that it be given full powers, and then that it be ignored and overruled when the evidence which it may turn up from day to day suggests to the opposition that someone should be laying charges against someone. I am not taking that position, and neither is the government. We support the commission. We are complying with all it requests, we are appearing weekly before it in its hearings, and we are waiting, as the Attorney General of Canada has indicated, for its recommendations before deciding whether or not action should be taken and, if so, what action should be taken within the federal jurisdiction with respect to any unauthorized acts against our laws which are mentioned by the commission.

Of course our view does not apply to the provincial attorneys general. If they decide that they would like to conduct investigations and lay charges now, then that is within their jurisdiction. I would co-operate with them fully so that they could exercise their jurisdiction. However, when the McDonald commission made the decision to which the hon. member has referred, to hold hearings in camera in connection with individuals and their behaviour, I agree with that decision.

I think that the commission is demonstrating basic fairness and decency because, after all, hearings by the McDonald commission into this matter could be going on while the provincial attorneys general are laying charges and holding hearings. What could be more unfair to individuals than to be tried in two places and to be subject to examination before the McDonald commission in what the hon. member would like to be a public forum on the one hand, and on the other hand, if the hon. member's advice were taken by the attorneys general, an individual could be facing charges in another court on the very same day and at the very same time as he is appearing before the McDonald commission. I do not think the procedure he recommends is fair in any way to any of the individuals concerned, and I am surprised that he would seriously argue both those positions at the same time.

● (2220)

I have indicated that when the report of the McDonald commission is delivered to the government the recommendations which deal with individuals and findings which deal with individuals, will be referred to my colleague, the Attorney General. I shall recommend to him that all such findings be made public.

The hon. member has now asked, as he did when I appeared before the justice committee on estimates, that the entire report be made public or, if it is not made public, that it be brought before an in-camera meeting of the justice committee. That is an excellent suggestion, Mr. Speaker, which other people have also made, but whether the government could comply with that request will depend on the nature of the report.

POST OFFICE—DEPLORABLE MAIL CONDITIONS IN CALGARY—STEPS TO IMPROVE

Mr. Bill Wright (Calgary North): Mr. Speaker, on May 16 I presented a motion under Standing Order 43 asking the government to direct the Postmaster General (Mr. Ouellet) to correct the deplorable postal conditions in Calgary North. The motion was not adopted.

On June 5 I asked the Postmaster General whether he would direct the Post Office to correct the problem in Calgary North which is not only deplorable but is inexcusable.

Calgary North is one of the fastest growing urban areas in Canada, but it has 4,000 homes without any type of mail delivery. Residents have to drive as far as ten miles in order to collect their mail, which most of them do at 7 a.m. The postal depot is closed at 3.30 p.m. Because it is a new area and usually both parents work, there is no other time they can pick up their mail.

I know of a case of senior citizens who moved into a retirement home and who will be compelled to move again because they do not have mail delivery and, of course, they cannot go out every day to collect it. Many of these people were not told there would be no mail delivery. They expected it, and are paying for it.

I know of another couple who moved to Calgary North from Montreal. They simply cannot believe the government would behave in this manner.

Businesses in my riding suffer tremendous pressure because of this situation. Just a week ago one couple wrote telling me that they were in some financial difficulty because of the problem. I know that the Post Office is doing the best it can, but there is extreme pressure at the depot and the mail cannot be handled there. It just sits there and sometimes people cannot get in every day to collect it.

In my question to the minister I referred to the ridiculous cost of all this. An analysis has shown that if all those people affected were to drive that ten miles every day the cost would be around $2 million per year. The Post Office has agreed that $200,000 per year would correct the situation. If we take that to the ridiculous, then on a national scale, with 200,000 homes in Canada without any type of mail delivery—70 per cent of which are in western Canada—it would equal approximately 2.5 million barrels of oil per year. So the Post Office itself could save approximately 50,000 barrels of oil per year, at a much lower cost to the taxpayer, if it established a proper postal service.

• (2225)

In Calgary North the averages are not national averages on mail delivery. Business is up 12 per cent over last year at the central postal station at the airport, and it was 12 per cent the year before. In Calgary the number of people who come to the various post offices is up 37 per cent. We have an average of 2,500 people moving to Calgary each month. In Calgary North we have an average of 200 homes going up per month. These people have nowhere else to go. They have to use this postal service, and yet they are paying for something which they do not have.

I asked the Postmaster General to do something about this. In his answer to me on June 5 he said that he is actively considering this. I am also in touch with the Post Office. I know where he sits on the matter. I know he has problems out there, and I will not make any more for him. Nevertheless, I must say to him that if he does not act soon, then I am prepared to stand up here and give him some facts which may not be so agreeable. I know where the Post Office is sitting on this question. I know where the problems are, but the people in the riding do not understand the problems of the Post Office. All they understand is that they are paying for a service which they are not getting.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to be able to answer the hon. member on behalf of the Postmaster General (Mr. Ouellet). The Postmaster General has noted that the hon. member for Calgary North (Mr. Wright) has raised by question, motion, and now in adjournment debate, the problem of letter carrier extensions for his constituents. It is a problem that the Postmaster General is quite aware of, and I understand the Postmaster General told the hon. member last week in the House that this matter has been preoccupying him and is under constant discussion.

I am sure he knows, and I am glad to note the fact that he is not going to add to the department's problems in dealing with Calgary, that the problem is a direct result of the tremendous growth in the Calgary area. An average of 2,000 people are arriving in Calgary each month and mail service must be provided to match such unprecedented growth. The number of points of call for letter carrier delivery has already exceeded by 255 the figure projected for March 31, 1981, in last year's business plans. The obvious solution is to increase the staff of the Post Office and add more letter carriers, but Canada Post has been called upon by both Conservative and Liberal governments in the past two or three years to do the opposite, in other words, to reduce person years. The effect of this person-year restraint is to achieve and maintain zero growth for letter carrier person years. I would ask the hon. member to keep in mind the government's restraint program which the hon. member's party also followed while it was in office.

The Post Office has not been idle in coping with the expansion in Calgary, however, and people without home delivery have been coming to the post office for regular pick up. At last count there were 3,403 customers calling for their mail, 1,000 of them at one depot alone. This adds to the work load of the counter personnel, and it has been brought to the attention of the Postmaster General that the crew at depot No. 10 now open its doors at 6.15 a.m. rather than 8 a.m. in order to accommodate their customers.

I might also tell the hon. member that the Post Office has been experiencing staffing problems with inside workers—but of a different nature. The post office has been experiencing problems in attracting and maintaining workers. In fact there is a turnover rate of 65 per cent to 70 per cent in Calgary alone. The new collective agreement criticized by some, including some of the member's own party, as giving an excessive wage settlement, is what is needed to achieve stability in this sector according to the government.

Canada Post has several methods of getting the mail to the public. One of the most common methods is that of the individual picking up his mail from a post office box in a small town post office, in his apartment building or in a large business complex. Another is by general delivery over the counter. Still another is by rural route delivery. In the cities, both business and residences have been provided with door to door service. While this method of delivery is relatively efficient in business areas, the cost per item of mail delivered in the residential areas is relatively high. It is significant to note that the milkman, the breadman and the dry cleaner have cut back or eliminated entirely daily service to residential areas. Obviously, they are faced with the same high costs.

I notice that my time for the answer is almost up.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, June 27, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL UNITY

APPRECIATION OF ACHIEVEMENTS OF FATHERS OF CONFEDERATION—FAITH IN CANADA'S FUTURE—MOTION UNDER S.O. 43

Mr. Bill Vankoughnet (Hastings-Frontenac): Madam Speaker, I rise on a matter of urgent and pressing importance under the provisions of Standing Order 43.

Whereas Canada and Canadians in the course of the next year will focus their attention on a renewed constitution, I move, seconded by the hon. member for Scarborough West (Mr. Weatherhead):

That the House of Commons of Canada, approaching its 113th year, place on record its deep appreciation of the achievements of the Fathers of Confederation, and with a united voice express its faith and confidence in the future of this great country, and that this act of faith in our future will lead to a renewed inspiration of the patriotic fervour of Canadians and afford a clear vision of our aspirations and ideals so that in this coming year from sea to sea, we may develop a robust Canadian spirit of renewed national unity.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Motion agreed to.

* * *

FREEDOM OF INFORMATION

CALL FOR INFORMATION ON SALARIES OF ORDER IN COUNCIL APPOINTEES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgency stemming from the arrogant refusal of the government—

Some hon. Members: No.

Mr. Cossitt: Perhaps you could wait until you hear it.

Madam Speaker: Order, please.

Mr. Cossitt: —to reveal the salaries of over 2,000 order in council appointments, such refusal providing sharp contrast to the open disclosure policy of the previous Progressive Conservative government, and positions consisting mostly of awards to Liberal party sacred cows. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House expresses extreme condemnation of government action in hiding from the Canadian people what they are paying through their taxes in salaries for over 2,000 high-ranking public servants, which provides a complete mockery of the government's declaration of support for more freedom of information to the public; and, finally, this House requests the Prime Minister to reveal complete details immediately of all such salaries, and that the blocking of such information be no longer permitted by the undue influence and advice of such persons as Michael Pitfield, a servant and not the master of the Canadian people.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1110)

EXTERNAL AFFAIRS

POSSIBLE DANGER OF RADIATION FROM U.S. EMISSIONS—GOVERNMENT INVESTIGATION—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of reports from Harrisburg, Pennsylvania, to the effect that the accident prone Three Mile Island nuclear power installation is to be vented of its contaminants into the atmosphere, perhaps as early as this weekend, and since the prevailing winds could carry this emission into Ontario and Canada's Atlantic region, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That the Secretary of State for External Affairs investigate these reports and, if they are accurate, demand a halt to this potentially dangerous practice until we can be assured that no Canadian man, woman or child is exposed to the dangers of radiation.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

IMMIGRATION

ENTRY VISA REQUIREMENTS—CASE OF DR. MOROZ—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise under the provisions of Standing Order 43. The Ukrainian dissident, Valentyn Moroz, was detained by the immigration officials at Toronto international airport last weekend, causing him to miss speaking engagements in the city of Toronto. Dr. Moroz has entered Canada on 14 or 15 previous occasions without incident or delay. I therefore move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House direct the Minister of State for Multiculturalism, who is also the minister responsible for communicating a better understanding of government actions and policies, to communicate with the Minister of Immigration to clarify entry visa requirements to avoid further delays and inconvenience to legitimate visitors to Canada and at least the equal treatment afforded Dr. Timothy Leary or Guiseppe Calamusa.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HARBOURS

IMPROVEMENTS TO LADNER HARBOUR—REQUEST CONSTRUCTION BEGIN IMMEDIATELY—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the former Liberal government, in the 1979-80 blue book of estimates, committed itself to funding phase II of the Ladner harbour project in Ladner, British Columbia, and whereas the previous Progressive Conservative minister of fisheries recognized the urgency of completing this important project and directed his deputy minister to include Ladner in the 1980 small craft harbours program, yet the Department of Fisheries has failed to act on that directive, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of Fisheries and Oceans be directed to initiate construction of phase II of the Ladner harbour project immediately, in order to eliminate further inconvenience to the fishermen of Ladner due to the lack of adequate servicing at the present facility.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PARKS CANADA

REMOVAL OF TIMBER AND TREES FROM RIDING MOUNTAIN NATIONAL PARK—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In fact, this matter is so urgent that the northern district of the Union of Manitoba Municipalities passed resolutions concerning it.

In light of the fact that local residents recently came to the aid of Riding Mountain National Park, and due to the drought resulting in poor prospects for grain, beef or dairy production, and considering that a large number of trees left standing in the burnt-out area could be salvaged by local people, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the Minister of the Environment, responsible for Parks Canada, take direct and immediate action by exercising his authority and allowing local residents to have access to the park and to carry out selective removal of timber and trees from burnt-out areas; and, furthermore, that the minister implement this program immediately in order for work to begin this year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: The hon. member for Fundy-Royal.

Mr. Crosby: Excuse me, Madam Speaker; Halifax West is my constituency. This is interesting, in view of Your Honour's remarks the other day with respect to knowing all the members of the House.

Some hon. Members: Oh, oh!

* * *

OFFSHORE RESOURCES

FEDERAL CLAIM OF OWNERSHIP—REQUEST FOR TABLING OF LEGAL OPINION—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under Standing Order 43. Ownership and control of offshore resources is vital to the development of Nova Scotia and other coastal provinces, but is now enmeshed in a legal wrangle involving federal and provincial claims.

• (1115)

In order to expedite settlement of matters in dispute, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That this House direct the Minister of Justice to table the legal opinion upon which the federal claim of ownership is based, so that the opinion can be assessed by the provinces.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SPORTS

DEFEAT OF MPs BY PARLIAMENTARY PRESS GALLERY—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise to move what I consider a very tragic motion. It arises out of a very tragic occurrence on the Hill last Wednesday night, namely, for the second time in 12 years the parliamentary press gallery ball team clobbered the members of Parliament. In fact, they absolutely decimated and totally outclassed the members of Parliament.

Therefore, I want to move a motion which I moved two years ago, but to rearrange some of the words to make the motion more appropriate. I move, seconded by the nine other victims of last Wednesday night:

That this House instruct the minister responsible for fitness and amateur sport to summon immediately all his top advisers from across the land for the purpose of devising a foolproof emergency program with the very difficult, but not impossible, objective of upgrading the fitness of the average 30-year old member of Parliament to that of the average 60-year old member of the parliamentary press gallery.

Madam Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

BOYCOTT OF MOSCOW OLYMPIC GAMES—CARRYING OF OLYMPIC FLAG DURING OPENING CEREMONIES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Deputy Prime Minister and it concerns Canada's presumed boycott of the Olympic Games.

I would like to ask the Deputy Prime Minister whether he will confirm for the House that the government and, indeed, the Prime Minister personally, approved a decision to send two young Canadians to Moscow with the Olympic flag, thereby creating a situation in which Canada would have to participate officially in the opening ceremonies of the Olympic Games, which is surely contradictory to the Olympic boycott.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, to the best of our knowledge there was no contact with anyone in government before the decision was made to send the two teenagers. The mayor of the city of Montreal, as the mayor of the host city of the 1976 Olympics, has the normal responsibility of handing over the Olympic flag to the new host city.

Mayor Drapeau's decision whether to go to Moscow or not was one which was entirely for him to make, and the government has not been involved in that decision. My department has had no contacts with the mayor in relation to the idea of sending two teenagers to carry the flag.

Miss MacDonald: Madam Speaker, I asked whether or not the government had approved of the decision and the minister is now stating that it was in no way involved, which is contradictory to newspaper reports in which an official of the Department of External Affairs said that the decision was approved Wednesday. I presume, then, that the minister is saying there was no one from the Department of External Affairs involved and, indeed, no one from the Prime Minister's office involved in discussing this matter with Mayor Drapeau.

I would like to ask the minister if he is prepared to make that statement very explicitly. Second, I woud like to ask him if in the discussion which took place between the Prime Minister's office and Mayor Drapeau's office—which I am sure he will find out took place—any other suggestion was made as to how the flag could be taken to Moscow. For instance, was it suggested that the flag be delivered to the Soviet embassy here, in Moscow, or was it suggested that it be delivered personally to Lord Killanin?

An hon. Member: This is Ottawa.

Mr. Regan: Madam Speaker, I have to assure the hon. member that this is Ottawa, not Moscow, so it could not be handed over "here, in Moscow" as she stated.

An hon. Member: We are not all perfect like you.

Mr. Regan: I am not aware of any permission being granted by the government in this regard. Canadians are free to travel abroad to any country which has diplomatic relations with Canada, as the hon. member knows better than I.

In relation to the question of the boycott, again the government's position was that the COA was requested to refuse the invitation for our athletes to go and participate. The question of whether the mayor decided to go—and apparently he has decided not to go—is a matter purely for the mayor to decide, and not a matter for this government. The question of what representatives he might choose to carry the Olympic flag is, again, a question for Mayor Drapeau to decide, and not for this government. I am unaware of any conversations involving a department of this government and the mayor as to who would be appropriate to carry the flag tomorrow.

• (1120)

Some hon. Members: Hear, hear!

Miss MacDonald: I will direct my supplementary question to the acting prime minister, who at least might be able to address the point that I am raising, and that is the contradiction of Canadians taking part in the official opening ceremony of the Olympic Games when at the same time the government says that we are boycotting the Olympic Games. That is the contradiction, and I want the government to face up to it.

What I want to know is whether or not there is a boycott; it is that simple. If Canadians take the flag and participate in the opening ceremonies of the Olympic Games, then surely we are not participating in a boycott in the same way that we are asking the farmers to participate in a boycott, or the businessmen or, indeed, the athletes.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to assure the hon. member that indeed we are supporting the boycott. It has been declared to be our policy and the evidence of that is the fact that Canadian athletes, in terms of the government, have decided not to participate.

As the Minister of Labour has stated, I am not aware of conversations between any governmental officials and the mayor of Montreal. I will check into that, but I would suggest to the hon. lady that perhaps it is overkill to protest as vigorously as she has to the transmission of the flag in the way that is proposed.

TESTING BY FRANCE OF NEUTRON BOMB WARHEAD—GOVERNMENT POSITION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is also for the acting prime minister. It relates to international affairs and perhaps the potential of another boycott or at least severe sanctions.

Within the last 24 hours the government of France, normally a civilized country, a member of the western family of nations and a close ally of Canada, has gloatingly announced that it has perfected the capability of exploding a neutron bomb warhead, an announcement that could only be made after extensive field tests and extensive field explosions.

My question to the acting prime minister, is what exactly does the Government of Canada hope and expect to do in the face of such an announcement, especially when Canada is a signatory to the non-proliferation treaty, a signatory to the test ban treaty, and when Canada in many other ways has taken a belated lead against such a development as that?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have noticed the press reports to which the hon. member has referred in his question. Obviously, if they are confirmed to be true, the development is very serious indeed. The Prime Minister today, in Sweden, has stated that if these reports are held to be authentic, Canada indeed would be very much opposed and would protest vigorously against this policy of the French government.

Mr. Lawrence: Madam Speaker, I am not getting through to the acting prime Minister. I am not talking about the usual mild, obviously ineffectual, mealy-mouthed protests which come from this government in matters such as this.

Some hon. Members: Order.

Mr. Lawrence: I am asking the acting prime minister, if he is not in a position today to make an announcement, will he give serious consideration to very real sanctions against the government of France? Some of us believe that this is a greater threat to the security and future of the world than even the Afghanistan invasion.

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, I am not sure that the hon. member understands what he is saying when he is proposing at the present stage that Canada announce a policy of economic sanctions against France. I think he would want to consider that a little more carefully before he repeats it.

• (1125)

Mr. Lawrence: Not in this case.

* * *

CONSUMER AND CORPORATE AFFAIRS

INTEREST RATES—PRIME RATE OF CHARTERED BANKS HIGHER THAN BANK OF CANADA—EFFECT ON ECONOMY

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Consumer and Corporate Affairs. The minister will know that the Bank of Canada rate is now 10.63 per cent. However, the prime rate charged by the chartered banks of Canada is almost a full two percentage points above that, in complete contrast to the situation which prevailed two years ago with a reflected drop in the chartered bank rate corresponding to the Bank of Canada rate.

Since this means the banks are making higher profits and are not passing on to the people of Canada the economic benefits which should come from a lower Bank of Canada rate, I should like to ask the minister what he is doing about this.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I would suggest that the hon. member direct his question to the Minister of Finance.

* * *

[*English*]

THE CANADIAN ECONOMY

INTEREST RATES—DISPARITY BETWEEN CHARTERED BANKS AND BANK OF CANADA

Mr. Edward Broadbent (Oshawa): Madam Speaker, I made the mistake of assuming that the Minister of Consumer and Corporate Affairs was interested in what was happening to consumers.

Some hon. Members: Hear, hear!

Mr. Broadbent: We will see if the Minister of Finance demonstrates any more concern. Since it is clear that the chartered banks are not now passing on to the people of Canada the benefits of the lower rate charged by the Bank of Canada, could the minister tell the House what the government plans to do about this extraordinary, unfortunate situation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the hon. member that the chartered banks have to take responsibility for their own conduct and will have to justify it before the hon. member and before the Canadian people. There is no power within the Government of Canada or within the Bank of Canada to dictate and establish interest rates by the banks or any other financial institution in Canada. I think he is as aware of that as I am.

Mr. Broadbent: Madam Speaker, the banks are not only doing that with the prime rate on the loans they pass out to their special customers. It could benefit the economy if they were passing on the lower rates, thereby stimulating the economy and producing more jobs. They are doing the same thing with mortgages, which remain a full two percentage points higher today than they were two years ago, when the Bank of Canada rate was approximately the same as it is today.

Would the Minister of Finance confirm this point? Is he saying that the Government of Canada does not plan to take any action to ensure that the economic benefits of the lower official Bank of Canada rate are passed on to the economy and home owners in Canada? Will he stand by and let the banks of Canada rip off the people of Canada?

Mr. MacEachen: Madam Speaker, the Government of Canada has been intensely concerned throughout the course of this year with the very high level of interest rates, beginning with the high level of the bank rate. As the hon. member knows, the bank rate has experienced a very significant drop from a high of more than 16 per cent to less than 11 per cent now. That is to be welcomed. Obviously, the rates in the economy to some extent will be influenced by the bank rate.

Mr. Broadbent: They have not been; that is the point.

Mr. MacEachen: But the hon. member will realize there is a certain lag between the action taken by the Bank of Canada and the chartered banks. The government is not indifferent to this situation: it will be monitored very carefully. At the present time it is not the intention of the government to seek legislation to establish rates for all financial institutions in Canada, which is what is implied by the hon. member's question.

• (1130)

EXTERNAL AFFAIRS

INVASION OF THAILAND BY VIETNAM—CONDEMNATION BY GOVERNMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is addressed to the acting prime minister and it stems from my proposed motion under Standing Order 43 of yesterday concerning the situation in Southeast Asia.

Will the acting prime minister indicate what instructions were carried by the Secretary of State for External Affairs in relation to his attendance at the ASEAN meeting in Kuala Lumpur, and will he say whether there will be a condemnation of this further incursion into another country in Southeast Asia by Vietnam?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not ready to tell the hon. member what detailed instructions have been given to the minister, or what instructions he has given himself, as to his conduct at the meeting. I will take the hon. member's question as notice and attempt to advise him later.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, when we consider that thousands of refugees who have escaped from Vietnamese atrocities in Kampuchea are now being threatened again as a result of these incursions into a neighbouring sovereign state, surely at this time the government should be prepared to stand up, be counted and say what it is prepared to do in the way of condemnation, and in support of Thailand. Is this government just going to sit here and do nothing? That is my question, Madam Speaker.

Mr. MacEachen: Madam Speaker, the hon. member is very strong on words. He has used quite a number of words, with which I totally agree, in description of the present situation.

* * *

GRAIN

SHIPMENT OF GRAIN DELAYED BY WILDCAT STRIKE OF WEST COAST LONGSHOREMEN—GOVERNMENT ACTION

Mr. Gordon Towers (Red Deer): Madam Speaker, I have a question which perhaps should be directed to the Minister of Labour, but I think I should like to address it to the minister in charge of the Canadian Wheat Board in that it relates to the orderly movement of grain.

In view of the fact that one-third of the west coast longshoremen went out on a wildcat strike yesterday, immediately slowing down the movement of grain, and in view of the fact that farmers cannot at this time tolerate any additional problems associated with difficulties resulting from inclement weather and the high cost of production, is the minister aware of the situation and what is he going to do about it?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, I was made aware of that situation this

morning, but details were very few. I will become involved in this matter as soon as I can, to see whether something can be done from the point of view of the federal government.

Mr. Towers: Madam Speaker, could we have the assurance of the minister that this will be done today, in that it is my understanding a two-day delay in taking action will result in the backing-up of grain on the west coast, creating problems in movement and increasing the cost of farm operations?

Mr. Pepin: Madam Speaker, within the limitations of my powers I will make sure that we become fully informed on that matter this afternoon.

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HEALTH AND WELFARE

SAFETY OF CERTAIN PESTICIDES—GENERIC AND TRADE NAMES OF CHEMICALS INVOLVED

Mr. Simon de Jong (Regina East): Madam Speaker, I wish to address a question to the Minister of National Health and Welfare concerning the Industrial Biotest Laboratories' results and I wish to assure her that I, also, am not interested in unduly alarming Canadians. However, I am concerned that Canadians are not being told everything about the safety of certain pesticides.

The Saskatchewan minister for the environment is quoted as saying there was nothing substantially new in the letter he received from the minister. Could the minister inform the House if and when she will make public the generic names of the chemicals involved and the trade name of any product they might be found in, and will the minister assure us that the list of chemicals she released in her press release outlined exactly the same chemicals the United States government acknowledged are the ones under question?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I do not want to act as a scientific expert but it seems to me that if the hon. member, for safety purposes, is asking for the generic names of a specific series of 97 pesticides whose tests have not been validated and on which we are now working, he is jumping to conclusions, because it would involve many other products whose proportion of constituents is not the same. I am not quite sure whether his question is acceptable. The House will understand why I would want to check with my officials to see whether that specific aspect of his question is acceptable.

He has not given me enough information. He refers to a letter to a minister. I am constantly in communication with them. I do not remember such a letter. I will check. I hope I have answered his question, to wit what additional information can be added to the letter.

[*English*]

Mr. de Jong: I have a supplementary question, Madam Speaker. In view of the extra concern, anxiety, money and time involved in allowing these chemicals on the Canadian market because we are dependent upon the results of laboratories which are foreign-owned, like IBT, will the minister assure us that she will impress upon her colleague in Treasury Board the need to approve the establishment in Canada of a public toxicology lab in order that Canadians will be assured that the chemicals they are using and eating are indeed safe, and in that way will not have to wait eight years before getting that assurance?

Miss Bégin: Madam Speaker, that second question nurtures Canadian nationalism which exists everywhere. At times that is good, and at times it is bad. The hon. member's suggestion seems to me to be a dream. I am sorry to be that blunt and that frank, but we have a population of 22 million or 23 million, not 230 million. In any case when we can benefit from the exchange of information between countries, particularly the United States, instead of duplicating services, I am in favour of it, especially when it provides us with information we cannot obtain in our country.

Some hon. Members: Hear, hear!

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CANADA PENSION PLAN

INCREASE IN DISABILITY BENEFITS AND CORRESPONDING DECREASE IN PROVINCIAL SOCIAL ASSISTANCE BENEFITS

Mr. Chas. L. Caccia (Davenport): Madam Speaker, I also have a question addressed to the Minister of National Health and Welfare. It has to do with the despicable practice on the part of some provincial governments, notably Ontario, whereby every time disability benefits under the Canada Pension Plan are increased, there is a corresponding decrease in provincial social assistance benefits, thus cancelling any possibility for the people affected to keep up with inflation.

Will the minister inform this House whether she intends to raise this matter forcefully with her provincial counterparts in order that this gross injustice is brought to an end?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I know of this unfortunate practice in several provinces. If my colleague refers to the $35 increase which will not be fully passed on, I can assure him that I think we have reached the point where we must put that matter on the agenda of the national conference on pensions so that it can be discussed in the open by all Canadians.

Unfortunately, this practice may become a deterrent in respect of future increases required to the GIS to take everyone out of the poverty level. As to those below 65, what happens when provinces unfortunately divert funds is that the lag, *l'écart* between people below 65 and over 65 is intolerable to Canadians.

AIR SAFETY

ENFORCEMENT OF REGULATIONS RESPECTING AIRCRAFT AND PILOTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Transport. The Dubin inquiry into air safety is being told practically on a daily basis that safeguards and information which could prevent air accidents are being ignored. As this situation has existed for years, will the minister now call for the resignation of his aeronautics director, Mr. Walter McLeish, and give us some assurance that corrective measures are being taken now, and will he assure us that he will not wait until next October for his department to enforce safety standards in respect of aircraft and pilots?

● (1140)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will not accommodate my hon. friend. Measures have been taken over a period of time to improve the safety control capacity of the department: for example, regional offices have been created in order to be closer to the scene of accidents, and things of this kind.

I answered the question in a more general tone the other day when I said that, of course, testimony is given to the Dubin commission. The judge has the responsibility to filter the material received and to bring forward recommendations. I think we have to wait until he does so before implementing any recommendations which he might make.

Mr. McKenzie: A supplementary question, Madam Speaker. In view of the serious charges being made at the inquiry, will the minister consider asking Mr. Justice Dubin to give an interim report? A number of years ago a directive went out from the aeronautical licence inspection branch of the department, not to enforce safety regulations because that might embarrass the minister. Is this directive still in force, and will the minister call for an interim report from the judge?

Mr. Pepin: It is not, Madam Speaker. It has often been said by my predecessors that this directive, as the hon. member termed it, is not to be implemented. This has been made very clear.

On the subject of the Dubin inquiry, I should like to emphasize the fact that it is not only a question of the number of inspectors. There are things that have to be changed in the law itself, there are things that have to be changed in the penalties that exist in the law, and there are things that have to be changed in the implementation of that law in terms for example of the court not being severe enough. It is a multifaceted problem. That is why I think it is desirable to wait for the Dubin report before taking action.

FREEDOM OF INFORMATION

SALARIES PAID TO ORDER IN COUNCIL APPOINTEES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Secretary of State. In view of the impending freedom of information legislation, and the government's supposed commitment to the policy of openness initiated by the Leader of the Opposition when he was prime minister, could the minister tell the House why salaries of senior public officials appointed by order in council are now to be kept so unspecific as to amount to keeping the public in the dark as to how much the salaries are that are being paid?

An hon. Member: We know what you make, Allan.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if I may reply to the question presented by the hon. member, I would tell him that when it came to my attention that this information on salary ranges had not been included in the lists, I undertook to ensure that in future when these salary ranges have been established as the result of a current review they will be included as part of the information.

INCLUSION IN LEGISLATION OF PROVISIONS FOR INFORMATION ON SALARIES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I take that as an undertaking by the acting prime minister, although he has not indicated why they were excluded in the first place.

May I ask the Secretary of State to assure the House that the proposed freedom of information bill which he is about to present to the House, or will present very shortly, will be so drafted that the information which the acting prime minister has said will become available will, in fact, be available under that bill?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, we are presently in the drafting stages of the information bill to which the hon. member refers. I believe that the hon. member will find, in that bill, that we are trying to be as open as possible and to make as much government information available to the public as is possible. In that sense, we have been to a great extent inspired by the bill introduced by the hon. member.

I hope he will await the tabling of the bill which, as I indicated before, I hope will be, at the very latest, in the last week of the sitting of this House. Anyway, I hope to table it before the House adjourns for the summer recess.

Mr. Baker (Nepean-Carleton): Madam Speaker, if we are that close to finality with respect to the drafting processes within cabinet—I asked the minister this question before, but he could not answer so precisely—could he tell the House today whether the bill contains provision for an independent judicial review of the decisions of ministers or others who withhold information?

Mr. Fox: Madam Speaker, I always heed the advice I receive from the hon. member. Just a week ago he advised me, in very strong terms, not to tell tales out of school. I would ask him, therefore, simply to wait for the bill to be tabled. I can assure him that there will be in the bill not only a commitment to freedom of information but a commitment to an independent form of review.

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EXTERNAL AFFAIRS

APPOINTMENT OF CANADIAN CONSUL GENERAL IN NEW YORK

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Secretary of State for External Affairs perhaps I could put my question to the acting minister, the Minister of National Defence. My question centres on Ken Taylor and it is a very simple one.

As it has been reported that there is a possible posting for Mr. Taylor as consul general in New York, would the minister indicate if this is under consideration? If so, why cannot it be announced without any further delay?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I have great admiration for Mr. Taylor and what he has done in the name of Canada. As acting secretary of state for external affairs, I think I can tell the hon. member that there has been some discussion about this but no decision has yet been taken. I think Mr. Taylor is capable of going to New York or any other place suitable to his qualifications: he is a good man.

Some hon. Members: Hear, hear!

Mr. Stevens: Madam Speaker, we certainly agree with the minister that Ken Taylor is a good man. In view of his immense good will in the United States, I will put my supplementary question to the Secretary of State for Trade.

Would the minister agree that if Mr. Taylor had a suitable appointment, say that of consul general in New York, it would have an immense bearing on some of the negotiations now taking place in the United States and, in particular, on the auto pact negotiations that the Minister of Industry, Trade and Commerce is now engaged in?

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, my colleague, the Secretary of State for External Affairs, is very knowledgeable about the qualifications of Mr. Taylor. I think wherever Mr. Taylor is posted will be of benefit to Canada.

ENVIRONMENTAL AFFAIRS

DANGER OF NUCLEAR WASTE DUMPED BY UNITED STATES—EFFECT ON CANADIAN WATERS

Mr. Al MacBain (Niagara Falls): Madam Speaker, I have a question for the Minister of the Environment, but in his absence I shall put it to his parliamentary secretary. Is he aware that two nuclear waste dumps have been recently identified in New York state in the immediate vicinity of the Niagara River? If so, would he assure this House that steps are being taken by Environment Canada to ascertain whether the presence of such dumps poses a further threat to the water supply of Niagara on the Lake, in particular, and in general to the quality of life in my riding arising from possible air pollution from such dumps?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I am aware of the press reports on the existence of this second nuclear waste dump. Our officials are presently checking the accuracy of the reports. The information on the existence of this site comes to light now, I understand, as a result of the declassification in the United States yesterday of a report on the subject dated 1949.

The important question which this raises in so far as Canada's concerns are involved is the implications for water quality in the Niagara area and, in particular, the implications this information may have for two agreements between Canada and the United States, namely, the Great Lakes Water Quality Agreement and the Boundary Waters Treaty. We have these matters under advisement.

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HAZARDOUS SUBSTANCES

METHANOL SPILL IN WINNIPEG—CALL FOR CTC INQUIRY

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Transport. On Easter Sunday, April 6, a methanol spill occurred in the CPR yards in Winnipeg. This spill, along with similar spills in Mississauga and Macgregor, Manitoba, has raised serious questions about the continued safety of all residents of Winnipeg.

Given the impossibility of evacuating the whole of the city of Winnipeg, and the call on June 4 by Winnipeg city council for a Canadian Transport Commission formal inquiry, will the minister direct the CTC to hold an inquiry, with full subpoena powers, so as to ensure the continued safety of the people of Winnipeg?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the CTC has inquired about this spill. I shall make sure that my hon. friend receives a copy of their views as soon as I get them myself.

Mr. Keeper: Madam Speaker, I hope the minister will make that inquiry soon. Not only the safety of the residents of the

city of Winnipeg is at issue, but there is also the question of the social and economic conditions of that city.

● (1150)

I would like to know, by way of a supplementary question, whether the minister would be willing to make a commitment to railway relocation in Winnipeg, which would remove the safety question, by way of dollars so that the DREE funds for revitalization in that city are not wasted.

Mr. Pepin: Madam Speaker, this decision has been made as far as the Department of Transport is concerned. We are providing for grade adjustments in Winnipeg by way of the Urban Transportation Assistance Program. The value of our contribution is in excess of $7 million.

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[*Translation*]

AGRICULTURE

HOG PRODUCERS—REQUEST FOR SUBSIDIES ON PIGLETS

Hon. Roch La Salle (Joliette): Madam Speaker, I have a question for the Minister of Agriculture. Some time ago the minister announced certain subsidies to provide financial assistance to hog producers who are currently experiencing difficulties.

Now, according to certain representations which were made to me, I am informed that one category, also nicknamed the "nurseries"—that is, piglet producers—seems to have been forgotten by the minister in his generous initiative. Could the minister tell the House whether he is examining the situation of these piglet producers and whether he intends eventually and as soon as possible to announce adequate subsidies for that category of producers as well?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I say to the hon. member through you that many people have made representations along the same lines the hon. member is making at the present time. These have come from both sides of the House and from all parts of Canada where piglet producers are operating. We had meetings as recently as two weeks ago with some of them because they have no over-all, national organization. We are putting a submission together which I hope will be considered in the next few days.

[*Translation*]

Mr. La Salle: Madam Speaker, I have a supplementary question. In order for me to know just what to say to those who ask, would the minister tell us whether these producers will be helped eventually or whether we will have to tell them that the government is not prepared to do that?

[*English*]

Mr. Whelan: Madam Speaker, under the Stabilization Act the finished pork product is named, so by law you have to make a stabilization payment. When the price is below the cost of production you use the five-year averaging plan. In the current year the input is costed, and you come up with a figure. We shall be spending on that program between $45 million and $50 million; that is for the finished product.

There is no such thing as a named product for the piglets, the weaner pigs that are produced by the people who are finishing the product. Therefore, those people are suffering terrible economic hardships: we know that, Madam Speaker. I have to put forward a new submission to cabinet for consideration. We are in the throes of doing that at the present time.

* * *

AIR TRANSPORT

DECISION ON TORONTO-HALIFAX ROUTE

Mr. David Smith (Don Valley East): Madam Speaker, I have a question for the Minister of Transport. Can the Minister of Transport advise the House whether a decision has been made regarding the appeal to cabinet on the route between Toronto and Halifax?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I know a number of members of the House want the answer to this question now. I can see some on the other side too. Yes, indeed a decision has been made. The gist of it is that Eastern Provincial Airways will fly direct, non-stop from Toronto to Halifax and return.

Some hon. Members: Hear, hear!

Mr. Pepin: EPA will abandon its direct Halifax to Montreal route, obviously maintaining other routes where there are intermediate points, such as Charlottetown, Fredericton and Saint John.

Canadian Pacific Airlines could fly non-stop from Montreal to Halifax and from other points, for example, Ottawa and Winnipeg. After long reflection and discussion on this matter, we think this is a compromise which is very much in the interest of all of Canada, particularly of the Atlantic region. In this way, the regional air carrier, namely, EPA, has a chance to demonstrate its capacity to serve adequately the Toronto-Halifax route and to strengthen itself also economically as a regional carrier. At the same time, the Atlantic provinces could receive travellers, particularly tourists from western Canada flying via CP Air.

Oral Questions

TRANSPORT

MOVEMENT OF FREIGHT THROUGH METROPOLITAN TORONTO—DISCUSSIONS WITH M-TRAC

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Transport. About two months ago I wrote to the Minister of Transport inquiring whether he would be prepared to meet with representatives of a new organization in Toronto called M-TRAC, which is the Metropolitan Toronto Railway Action Committee, with regard to their very real concerns about the movement of freight through metropolitan Toronto to non-metropolitan Toronto destinations.

I also raised this matter about a month ago by way of a motion under the provisions of Standing Order 43. To date, I have not received a response. Could the minister state today whether he is prepared to meet with representatives of M-TRAC; and, if so, when he would be able to do that?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I try as hard as I can, within a 27-hour day regime, to meet as many groups as I possibly can. I am sorry if I did not accommodate this one. I will see to it immediately.

Mr. Wilson: Madam Speaker, we are asking the minister to try just a little harder. Possibly he could answer his mail. Is the minister aware that chemicals are being shipped from Sarnia to points north and east of metropolitan Toronto and are being moved directly through residential areas of metropolitan Toronto.

In addition, is the minister aware that CP Rail is soliciting freight business from the Michigan area in the United States which is destined for the New England states but will be shipped through Canada, specifically through the residential areas of metropolitan Toronto? This is the reason for the concern of the residents of the area. I ask the minister whether he is aware of this and whether anything is being done about it.

Mr. Pepin: Madam Speaker, I am very much aware that many municipalities in Canada are concerned with the transportation of dangerous goods. It is a growing preoccupation in Canada. That is exactly why we have Bill C-18 presently in committee, to develop criteria to streamline the regulations on the subject and, in co-operation with the provinces and municipalities, to develop a much needed safety control system. The bill really begins to answer that concern which is obviously a growing one in the country.

* * *

AIR TRANSPORT

DECISION ON TORONTO-HALIFAX ROUTE

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Transport which is supplementary to a question asked concerning the decision of the Canadian Transport Commission. As I understood what the minister said in this House, Eastern Provincial Airways will be permitted to fly direct from Halifax to Toronto and return, and CP Air will not be in competition with them.

Will the minister, first of all, indicate when the full text of his decision will be available, and will he indicate when we can have it so that we can study it? Will he, at the same time, confirm the basics of the decision with respect to the Toronto-Halifax flight?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, a communique is available now. I will see to it that my hon. friend gets a copy of it.

Mr. Crosby: Madam Speaker, as a supplementary to the minister, I hope he will bear in mind that the reason for this horrible decision of the Canadian Transport Commission was, in the first place, confusion over regional air policy. I would like the minister to undertake, now, to review the regional air policy so that Crown agencies and commissions, such as the Canadian Transport Commission, will not make this kind of mistake in the future.

An hon. Member: Make it in the House.

Mr. Pepin: Madam Speaker, in my rather professorial approach to these questions, that review of policy has been going on.

An hon. Member: That is a terrible insult to professors.

Mr. Pepin: The decision is in accordance with that review. One of the main aspects of it has to do with the possibility of regional carriers serving an adjacent area. In this instance, the adjacent area is jumped one notch in order to include Toronto.

Mr. Lawrence: Why insult the academic community?

* * *

● (1200)

CITIZENSHIP ACT

SIGNATURES ON APPLICATIONS FOR CITIZENSHIP

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is for the Secretary of State. I wonder if the minister will inquire into the practice under the Citizenship Act whereby Canadian residents applying for Canadian citizenship may be required to sign their applications in the script in use in their country of origin, not the script used prevalently in Canada.

Would he confirm which natives of which countries are required to sign in their original native script, or does this apply only to Chinese, whether they are of long residence in this country or of fairly short residence?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for drawing this concern to my attention. It is the first time it has been brought to my attention. I will be pleased to look into

the matter for the hon. member and get back to him. The point is indeed an interesting one and probably well taken. I will be delighted to look into the matter further on his behalf.

Mr. Lambert: Will the minister indicate in his reply, whether it be by letter or in the House, at the earliest opportunity what rationale there is for the discrimination which exists against applicants of Chinese origin signing not only their application forms but also possibly signing their citizenship forms in Chinese script?

Mr. Fox: Yes, Madam Speaker. It is quite clear that we would not want to be in the position of discriminating against any Canadian citizens, whether new Canadian citizens or those who have been citizens of this country for a long time. Once again, I will be delighted to look into the matter, on behalf of the hon. member, in the spirit in which he has indicated.

* * *

CONSUMER AFFAIRS

INCREASE IN PRICE OF SUGAR—REQUEST FOR ASSURANCE OF NO PROFITEERING BY SUGAR COMPANIES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I have a question for the Minister of Consumer and Corporate Affairs, giving him an opportunity to do something now for consumers. As the minister knows, the Agriculture Canada food price index came out yesterday, showing that food prices have increased by 2.3 per cent, May 15 to June 15. Sugar prices, in particular, went up by some 7 per cent, reflecting an increase of 200 per cent to 300 per cent over the last few months.

Can the minister assure the House that there has been no profiteering by sugar companies in this country, or can he tell the House that he is contemplating an investigation into the sugar companies of this country because of the tremendous price increases we have seen in the last few months?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): It is obvious, Madam Speaker, that in reply to the first part of the question, I cannot give that assurance.

[*English*]

Mr. Nystrom: The minister replied in a very sugary way to the first part of my question, but he cannot give an assurance that there has not been profiteering by the sugar companies and speculators in this country, despite an increase of 200 per cent to 300 per cent in a few months.

In view of his admission, will the minister now consider launching an investigation into whether there has been some price-fixing or profiteering by sugar companies in this country? If he cannot give the assurance that there has not been profiteering, will he at least give us an assurance that he will

Point of Order—Mr. MacEachen

launch an investigation to see whether there has been profiteering or price-fixing?

[*Translation*]

Mr. Ouellet: Madam Speaker, of course we are aware of the recent sugar price increases. The officials of my department are watching the matter with the same traditional and proverbial interest.

THE ROYAL ASSENT

[*Translation*]

Madam Speaker: I have the honour to inform the House that the following communication has been received:

Government House
Ottawa

June 27, 1980

Madam,

I have the honour to inform you that the Honourable W. R. McIntyre, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of June, at 4.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

BOYCOTT OF MOSCOW OLYMPIC GAMES—CARRYING OF OLYMPIC FLAG DURING OPENING CEREMONIES

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I rise on a point of order to clarify the situation for the hon. member for Kingston and the Islands (Miss MacDonald). I want to tell her that I have checked further into the situation and the Prime Minister (Mr. Trudeau) was consulted in London about the intention to send two representatives with the flag, and he concurred in that proposal.

Hon. Flora MacDonald (Kingston and the Islands): On the same point of order, Madam Speaker. That, of course, is the question I was presenting initially. The minister responsible for

sport said that there had been no communication. Therefore, it makes the point that I was raising all the more relevant, namely whether the Prime Minister, when he was consulted, pointed out the very real contradiction in Canada's position in that now we are officially supporting a boycott, according to the Prime Minister and this government, but at the same time we have two Canadians officially taking part in the opening ceremonies of the Olympic Games. It does not seem that you can have it both ways. I wanted to know if the Prime Minister communicated with Mayor Drapeau when he was consulted about this decision.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-36

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, further to consultations I had earlier today with the other House leaders, I am pleased to confirm that, with regard to Bill C-36 respecting the national anthem of Canada, we have come to an agreement pursuant to Standing Order 75A, in order to dispose of this legislation in a very short and specified length of time.

Therefore, pursuant to Standing Order 75A, I move:

That Bill C-36 go through each and every stage as follows and without interruption:

1. On second reading, after one spokesman per party has been heard;

2. In Committee of the Whole House, without debate, and with only one amendment pertaining to the coming into force of the said bill, such amendment being also passed without debate as proposed by the President of the Privy Council;

3. At the report stage and on third reading, without debate.

Motion agreed to.

* * *

[*English*]

THE OFFICIAL REPORT

INCORRECT TRANSLATION OF HEADING RESPECTING ESTABLISHMENT OF MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a point of order related to the use of unacceptable terminology in *Hansard*. It has been brought to my attention by that eminent watchdog of Canadian Parliamentary practice and procedure, our former colleague in the other place, Eugene Forsey, that some unparliamentary, if not indeed unconstitutional, language has appeared in *Hansard*, not, we hope, as a means of marking the centenary of that publication in Canada.

It is my understanding, Madam Speaker, that Mr. Forsey has also communicated with you on this matter, but it seems to me that the matter is of such importance that there ought to be a record in *Hansard* of this serious transgression of the linguistic bounds that no Canadian Parliament can accept. In this way, hopefully, the error will not be repeated.

On April 24 of this year, and again on June 16 and 17, *Hansard* records an element of the day's proceedings in this manner at pages 368, 2153 and 2187 respectively:

Government Administration—Decree Respecting Establishment of Department of Social Development

This term was repeated in the index of each of the days in question. It is the word "decree" that exceeds the bounds, I contend, of parliamentary acceptability in English. What follows this heading deals with a proposed text of an order in council tabled in the House of Commons on April 21, at which time, as reported on page 206, incidentally, the term "decree" does not appear in the English version of *Hansard*. It is obvious that on the three or four occasions when the matter appeared as government business, it was an order in council that was at issue.

● (1210)

Having compared the English and French versions of *Hansard* in which this terminology occurs, I reach the conclusion that the English word "decree" has been employed as an all too obvious translation of the French word *décret*, because the original version was placed in French. *Décréter* may be an acceptable parliamentary word in the French language, but "decree" in English conjures up semantic vibrations which Mr. Forsey has said are altogether too reminiscent of imperial Rome and even imperial Russia.

Your Honour will permit me to reveal a bias at this point when I add that these sorts of vibrations connected with words such as "decree" are to be avoided at all costs when this present government is in power. This government needs no encouragement to proceed along those lines, and all the paraphernalia and baggage—as well as the terminology—of rule by divine right have got to be kept well beyond its reach.

Power, it has been said, does strange things to those who exercise it. It does even stranger things to those who exercise it for unusually prolonged periods of time; they get to like it and are prone to abuse it.

For this reason, if for no other, I urge that before the definitive version of *Hansard* recording the proceedings of the first session of Canada's Thirty-second Parliament is issued the offending term "decree" be expunged and replaced with the more acceptable English equivalent of *décret*, that is, "order in council".

A second matter related to this deserves comment. The so-called "decree"—or, as we now agree, I think, order in council—was said to deal with the establishment of a department of social development. It is clear, both from the form in which the order in council was drawn as well as from the discussion which centred around that particular order of business, that what was at issue was in fact the establishment of a ministry of state for social development, not a department, which is quite another matter. It is not a full operating department but a co-ordinating office.

I hope, therefore, having had earlier notice of this matter, that your Honour will ensure that the appropriate corrections appear in the definitive version of *Hansard* and in the index and, further, that your Honour will place an embargo on the use of the word "decree" in English as an acceptable translation of the word "*décret*" in French. Your Honour might even wish to rule that it be added to the list of unparliamentary expressions set out in section 320(2) of Beauchesne's fifth edition.

Madam Speaker: I do want to say to the hon. member that we have received this communication, and the fact that he is now raising this point of order is very helpful.

The matter, I want to tell him, is already in hand, and the Editor of *Hansard* is going to see that these changes are made in the bound volume of *Hansard.*

Mr. Munro (Esquimalt-Saanich): There is no aspersion on the Editor of *Hansard;* I want to make that clear.

Madam Speaker: That point, too, is taken.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

LABOUR, MANPOWER AND IMMIGRATION

First report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Third report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Robinson (Etobicoke-Lakeshore) (for Mr. Beatty)

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

* * *

[*Translation*]

GARNISHMENT, ATTACHMENT AND PENSION DIVERSION ACT

MEASURE TO ESTABLISH

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development) moved for leave to introduce Bill C-38, to provide for the garnishment or attachment of Her Majesty in right of Canada and for the diversion of pension benefits payable by Her Majesty in right of Canada under certain enactments.

Committee Report

I rise on a point of order, Madam Speaker. Under our rules, since this bill deals with matters of royal prerogative, I must point out to the House that His Excellency the Governor General, having been advised of the provisions of the bill, has consented to the House taking, with regard to the said royal prerogatives, what decision it deems appropriate.

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

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM LAPRAIRIE TO LA PRAIRIE

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I would like to seek unanimous consent to bring forward the bill now on notice in the name of the hon. member for Laprairie (Mr. Deniger) so that it may be dealt with later this day when we deal with the changing of constituency names in private members' hour.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, that is in accordance with a discussion we had to accommodate private members, and in that spirit we concur.

Hon. Stanley Knowles (Winnipeg North Centre): Agreed.

[*Translation*]

Mr. Douglas Fisher (for Mr. Deniger) moved for leave to introduce Bill C-609, to change the name of the electoral district of Laprairie.

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

* * *

REGIONAL DEVELOPMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Pinard: Madam Speaker, after consultation with my colleagues, it has been agreed unanimously that the motion standing under the name of the hon. member for Sherbrooke (Mr. Pelletier), the chairman of the Standing Committee on Regional Development, be agreed to without debate.

Madam Speaker: The House has heard the suggestion concerning the motion of the President of the Privy Council (Mr. Pinard). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Order Paper Questions

Mr. Jean-Louis Leduc (for Mr. Pelletier) moved:

That the first report of the Standing Committee on Regional Development, presented to the House on Thursday, June 19, 1980, be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 51, 116 (Corrected), 149, 304, 323, 609, 772, 805 and 911.

[*Text*]

WESTERN CNR ROUTE

Question No. 51—**Mr. Cossitt:**

1. Did Mr. R. A. Bandeen, President and Chief Executive Officer of the CNR, state on or about Thursday, March 27, 1980, that the entire western CNR route could be double-tracked by the end of the decade in accordance with traffic demands and, if so, what is the estimate of double-tracking to the extent mentioned by Mr. Bandeen?

2. Did the Minister of Transport state on Wednesday, March 26, 1980, that he had anticipated that the double-tracking proposal would be 975 kilometres in length and, if so, will this become government policy?

3. Was the minister quoted by the news media to the effect that 40 per cent of the CNR mainline from Winnipeg to Vancouver would be double-tracked by 1988 and, if so, is the minister stating government policy?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. Within the context of remarks made at the press conference called by the Minister of Transport in Winnipeg on March 26, Mr. Bandeen referred to an earlier company statement on the subject of double-tracking by saying:

> "Speaking to WESTAC here just two weeks ago, Ron Lawless, president of CN Rail, said that the ultimate in capacity would be a transcontinental railway. Referring specifically to double-tracking west of Winnipeg, he (Lawless) said that if traffic growth continued as at present, this might be both necessary, in terms of volume, and justifiable due to increasing revenues, but that it's not likely to happen in the 1980s."

Mr. Bandeen said that traffic projections showed that the major growth will be primarily west of Edmonton. He described the various sections of double-tracking planned and said that by 1988 CN expects to have completed double-tracking between Edmonton and Valemount, a distance of 308 miles, and about 35 per cent to 50 per cent of the line between Valemount and Vancouver, representing a further 160-230 miles.

2 and 3. To be answered elsewhere.

Transport Canada advises as follows: 1. To be answered elsewhere.

2. (a) The minister stated on March 26, 1980, that: "The present outlook is that by 1988 nearly 40 per cent of CN's main line between Winnipeg and Vancouver will be double-tracked." However, the minister was reported as having stated at the press conference that "the percentage of double-tracking proposed represents about 975 kilometres (605 miles)".

(b) The minister also stated that: "To the extent that double-tracking was needed to ensure that an adequate level of capacity was provided to meet growing Western needs during the 1980s, the government would ensure that CN took the necessary steps and had the resources to do it."

3. The following, with respect to question 3, were quoted in the newspapers:

> "40 per cent of the Winnipeg-Vancouver line could be double-tracked by 1988."
>
> "CNR will double-track 40 per cent of its mainline between Winnipeg and Vancouver probably by 1988."
>
> "The railway will double-track at least 40 per cent of the line by 1988."
>
> "The railway already has realized that its plans to double-track up to 40 per cent of the Winnipeg-Vancouver run wasn't enough for expected demand by 1983 so that an increase over 40 per cent by then is inevitable."

PUBLIC SERVANTS WORKING IN HULL

Question No. 116 (Corrected)—**Mr. Cossitt:**

1. In each of the past six years, what was the total number of public servants working in the Hull, Quebec area?

2. What is the total at the present time?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): 1. During the last six years, the number of public servants working in the Hull area (Quebec) was as follows:

December	1974:	3,988
	1975:	4,812
	1976:	5,341
	1977:	5,709
	1978:	14,511
	1979:	15,904

2. In March, 1980, the number of employees working in the Hull area (Quebec) was 16,214.

NOTE: (1) The data reflect the number of employees on strength reported by departments and agencies in respect of which Treasury Board is the employer—Part I, Schedule I of the Public Service Staff Relations Act—and who are working in the greater Hull area defined at this date as comprising: Aylmer, Lucerne, Deschênes, Gatineau, Templeton Ouest, Village de Templeton, Pointe-Gatineau, Hull, Buckingham,

Buckingham Sud-Est, Masson, Hull, Municipalité d'Hull Ouest, Pontiac, Eardly, Onslow Sud, Quyon, Val des Monts, Portland, Wakefield Est, Perkins, La Pêche, Municipalité de Wakefield, Village de Wakefield, Ste Cécile de Masham and Masham Nord.

(2) Reason for the corrected reply: The Treasury Board Secretariat obtains its data from a central information system. At the time the first reply was prepared the change of work location from Ottawa to Hull had not been reported for 2,000 employees for the period March 19-December 31, 1979 and for 392 employees in January, 1980.

NEIGHBOURHOOD IMPROVEMENT PROGRAM

Question No. 149—**Mr. Cossitt:**

What is a list of all grants made under the Neighbourhood Improvement Programme since October 31, 1972 up to the date that this question is answered, that was given to municipalities within the former Constituency of Leeds and the present constituency of Leeds-Grenville and what was the total amount granted under the program?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: federal contributions to municipalities in the former constituency of Leeds and the present constituency of Leeds-Grenville are as follows:

Constituency	Municipality	Contribution Amount	Year Committed
Leeds	Perth	$ 400,000	1977
Leeds-Grenville	Brockville	2,122,026	1974,1975, 1976 and 1977 (for 4 NIP areas)
	Gananoque	200,000	1976
	Prescott	1,125,750	1976
	Total	$ 3,847,776	

Federal contributions under NIP were committed only between June, 1973 and March 31, 1978, the expiry date of the program. On a national scale during the same period the federal contributions committed total $199.3 million.

RCMP—COST OF OPERATIONS

Question No. 304—**Mr. Herbert:**

1. During each of the past five years, what amount was charged to the province of (a) British Columbia (b) Alberta (c) Manitoba (d) Saskatchewan (e) New Brunswick (f) Nova Scotia (g) Newfoundland (h) Prince Edward Island for the operation of the RCMP within the province?

2. What is the estimated additional cost to the government of maintaining the RCMP for federal responsibilities in the event that no future police force sharing or cost-sharing agreement is possible with the province where an agreement is presently in force?

Hon. Bob Kaplan (Solicitor General): 1.

	1975/76 $	1976/77 $	1977/78 $	1978/79 $	1979/80 $
(a)	19,091,142	20,867,124	24,605,612	28,518,789	31,814,562
(b)	13,273,271	14,824,487	17,850,808	20,723,170	23,918,874
(c)	7,819,434	9,011,148	10,447,517	11,909,840	13,559,747
(d)	10,384,916	12,709,857	14,691,373	16,832,311	18,306,063
(e)	4,724,566	5,885,878	6,576,597	7,303,376	8,348,915
(f)	5,940,608	6,387,217	7,500,456	8,651,325	9,674,715
(g)	5,248,988	6,696,660	8,028,944	9,684,950	11,293,118
(h)	1,327,790	1,499,181	1,662,857	1,836,266	1,902,753

2. None.

CMHC EMPLOYEES

Question No. 323—**Mr. Herbert:**

How many (a) permanent (b) other employees were on the payroll of Canada Mortgage and Housing Corporation as at March 31, 1979?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised as follows by Canada Mortgage and Housing Corporation: CMHC had (a) 3,393 permanent employees and (b) 455 contract employees on the payroll as at March 31, 1979.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Question No. 609—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Consumer and Corporate Affairs?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): The Department of Consumer and Corporate Affairs has no lawyers on its staff. Lawyers assigned to the department (13) are employees of the Department of Justice.

MILK IN NEW FORM

Question No. 772—**Mr. Cossitt:**

To the knowledge of the government, when will the new form of milk which does not require refrigeration and which will keep in sealed containers for at least six months be available to the general public and will the Department of Agriculture do anything to help promote the sale of such milk in order to assist the dairy industry?

Hon. E. F. Whelan (Minister of Agriculture): Currently, the ultra high temperature (UHT) milk is produced in Quebec and Alberta and distributed in Newfoundland and British Columbia.

In the near future, it will be produced and distributed in Ontario and, later this year, production will commence in British Columbia.

Agriculture Canada has helped to promote its production by providing technical expertise in the evaluation of applications for DREE grants for production facilities and by supplying the trade and public with information relating to the new product.

CANADIAN EMBASSY IN TOKYO

Question No. 805—**Mr. Clarke:**

Has the Department of External Affairs undertaken any construction during the past three fiscal years at the Canadian Embassy in Tokyo and, if so (a) for what purpose (b) at what cost (c) is the construction completed at present?

Order Paper Questions

Hon. Mark MacGuigan (Secretary of State for External Affairs): The Department of External Affairs has not undertaken any construction during the last three fiscal years at the Canadian embassy in Tokyo.

QUEBEC IMMIGRATION OFFICIALS

Question No. 911—**Mr. Herbert:**

1. Is it necessary to have federal and provincial approval to admit to Canada, as an immigrant, the spouse of a Quebec resident?

2. In each of the past three years, how many such sponsorship undertakings has the Department of Employment and Immigration been unable to process because of a failure to obtain approval from the Government of Quebec?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. No. While the admission of an independent immigrant to Quebec requires approval from that province, the admission of a spouse, i.e. member of the family class, does not. This approach is consistent with the federal government's commitment to family reunification which is one of the objectives of the Immigration Act.

2. N/A.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 148 could be made an order for return, the return would be tabled immediately.

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

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 148 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

LOCAL INITIATIVES PROGRAM

Question No. 148—**Mr. Cossitt:**

What is a list of all grants made under the Local Initiatives program since October 31, 1972, up to the time that it was phased out, for the former constituency of Leeds and the present constituency of Leeds-Grenville and what was the total amount granted under the program?

Return tabled.

• (1220)

GOVERNMENT ORDERS

[*Translation*]

REGIONAL DEVELOPMENT INCENTIVES ACT

MEASURE TO AMEND

Hon. Francis Fox (for the Minister of Regional Economic Expansion) moved that Bill C-35, to amend the Regional Development Incentives Act, as reported (with amendments) from the Standing Committee on Regional Development, be concurred in.

Motion agreed to.

Hon. Francis Fox (for the Minister of Regional Economic Expansion) moved that the bill be read the third time and do pass.

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

* * *

NATIONAL ANTHEM ACT

DESIGNATION OF WORDS AND MUSIC OF "O CANADA"

On the order:

Second reading and reference to the Standing Committee on Communications and Culture of Bill C-26, an act respecting the national anthem of Canada—the Secretary of State.

Mr. Pinard: Madam Speaker, in accordance with the order of the House, the motion previously passed will have to be amended so that the bill can be referred to Committee of the Whole.

Hon. Francis Fox (Secretary of State and Minister of Communications) moved that Bill C-36, respecting the national anthem of Canada, be read the second time and referred to Committee of the Whole.

He said: Madam Speaker, it is a real honour for me today in this House to propose the second reading of the bill respecting the national anthem of Canada. I acknowledge that it is only through the unanimous consent of all parties that it is possible for us to proceed today to the consideration and, I hope, passage of the bill.

Madam Speaker, "O Canada" is considered by all Canadians as the national anthem of their country but it has never been proclaimed as such by Parliament. I therefore ask the House today to catch up with history and to grant legal status to a heartfelt tradition.

Before outlining the circumstances surrounding the writing of this anthem, I would like to go further back in history, to the origins of the word "Canada". Among the possible explanations of this name, one is that in the sixteenth century, the

Indians extended a warm welcome to explorer Jacques Cartier with demonstrations of joy, repeating the Algonquian word "Cantata", which meant "Welcome". Another explanation, quite as plausible, is that our country has been named after the Spanish words "Aca nada", which mean "There is nothing there". The Spaniards at the time kept repeating those words while sailing up the St. Lawrence because they could not see any sign of wealth. The situation has changed somewhat since then, and time has probably come, four centuries later, to replace the term "Aca nada", meaning "There is nothing there", by the words "O Canada", which mean "Here, there is something, starting with tolerance and richness of the mind".

For every Canadian, Canada is a huge land whose outline is indefinable, whose centre is everywhere, a land already rich with traditions and still full of promises, a country blessed with human and material resources.

[*English*]

Sir Wilfrid Laurier expressed the same idea in the following terms:

To those who have life before them, let my prayer be this: Remember from this day forth never to look simply at the horizon as it may be limited by the limits of the province, but look abroad over all the continent.

In June, 1967, a joint committee of the House and Senate was formed and given a mandate to study the question of the national anthem of Canada. This committee issued its report in February, 1968, and unanimously recommended that the government immediately adopt "O Canada" as the national anthem of our country. The committee recommended that the slightly modified version of Judge Robert Stanley Weir's text and the original of Sir Adolphe Basile Routhier's French text be adopted together with the music of Calixa Lavallée. This is the recommended version that I have the honour to propose to the House of Commons today.

Madam Speaker, a number of members on both sides of the House have expressed concern over some of the wording of the version recommended unanimously by the 1968 joint committee of the House and Senate. The Minister of State for Multiculturalism (Mr. Fleming), members on this side of the House and, I am sure, on the other side of the House among all parties feel that some of the wording should be changed. Many would like to see the words "sons" and "native land" replaced—in the case of "native land" by the words "cherished land"—to better reflect the reality of Canada. I believe all members are sympathetic to these concerns. I would therefore like to assure hon. members that in the course of the next session the government would be more than willing to see the subject matter of a private member's bill on this question—

Mr. Baker (Nepean-Carleton): Or bills.

Mr. Fox: —or bills, as indicated by the House leader of the official opposition, referred to the appropriate committee of the House for consideration.

At this point I should like to go back in time to present a brief history of "O Canada", to recount briefly the story of its origin and development over the years. Because this subject is of direct, even personal interest to Canadians across the land, I believe many will want to trace the progress of the events which have led to the tabling of the proposal before us today.

Let us, first of all, journey back to the years shortly after confederation—back to the preparations for a great coming together in Quebec City in 1880 on the day of the feast of Saint-Jean-Baptiste. This was heralded, and rightly so, as a great occasion. The program included a grand banquet attended by the Governor General of the day, the Marquis of Lorne, and his wife, the Princess Louise. Not only was the occasion to involve the highest leaders of state and church but it was expected to attract visitors from the already sizeable French community in the United States as well as participants from many distant parts of Canada.

It would appear from the records that the committee arranging the convention had plans for commissioning a patriotic song to mark the occasion and a competition was to be held. The winning entry would make its debut on June 24, 1880. But time went by and the group responsible for finding a patriotic song realized that it was too late to launch the competition. This turn of events resulted in the involvement of Theodore Robitaille, Lieutenant-Governor of Quebec. He was a man who must have combined a good deal of perception and inventiveness. He took the matter of the patriotic song into his own hands and approached Calixa Lavallée, one of the leading musical figures of his day, who had received recognition both at home and abroad. Lavallée seems to have accepted the assignment eagerly; he had sketched out the music on paper within a week.

Next, Lieutenant-Governor Robitaille approached a judge of the Quebec Superior Court, Adolphe Basile Routhier, who was well known as an orator and man of letters. Mr. Justice Routhier met the challenge with enthusiasm and produced the French lyrics of "O Canada" which have reverberated unchanged for almost a full century.

And so the song "O Canada" had its "coming out", so to speak, during the banquet attended by the Governor General of Canada and by the Lieutenant-Governor of Quebec. The now well-known anthem thrilled the audience when first played on June 24, 1880. Surprisingly, though, nothing much was heard of "O Canada" for more than 20 years. Then, for some unexplained reason, it surfaced again.

[*Translation*]

In 1915, the newspaper *Le Devoir* published an article by Mr. Arthur Letondal which read in part as follows:

One cannot introduce in the vocabulary a new word or impose a patriotic song on the people. There has to be the right timing, and a set of circumstances which can stir the national spirit and gain its favour. This song, which certain people held in the recesses of their memory, took another 20 years to surface. For what reason? We cannot say. What we do know is that around 1900, by some sort of mysterious agreement, the groups with whom we came to be associated, started a propaganda in favour of what we then called Lavallée's anthem. Our concerts and our ceremonies ended with this song and enthusiasm for it increased every day. Things were in motion. Some editions were then published with English words and were spread across the country, where its adoption is now a certainty and its popularity well recognized.

● (1230)

[*English*]

What we might call its first formal or official exposure in a purely English-speaking situation seems to have occurred at the military camp at Niagara in 1900 during a tattoo.

Five years later a Toronto company published the music with Sir Adolphe Basile Routhier's original French words and an English version by a Toronto physician, Dr. Thomas Bedford Richardson.

In fact, during those early years, a whole catalogue of English lyrics was proposed to accompany Lavallee's music. The height of this flurry of poetic activity was related to the 1908 celebration of the three hundredth anniversary of the founding of Quebec City. It was around that time that the English version by Judge Weir was written and it is this version that generations of Canadians have adopted as our national anthem.

To me the Hon. Stanley Weir is representative of the culture of this country: born and raised in Ontario, he obtained his higher education in Quebec. During his career he served both as minister and speaker of the Quebec legislature and also as a judge of the Exchequer court.

"Lavallee's splendid melody", was the way Stanley Weir spoke of the music. Weir's lyrics and Lavallee's music struck a responsive chord in the hearts of a rapidly expanding cross-section of English-speaking Canadians. By the time our country entered the First World War, "O Canada" had become our best known patriotic song, even surpassing "The Maple Leaf Forever" in popularity.

During the celebration of the sixtieth anniversary of confederation, in 1927, the committee co-ordinating the national celebration published the music together with the words of Stanley Weir and Sir Adolphe Routhier. Again in 1938, "O Canada" was published and distributed for use at public functions and in the schools on the occasion of the visit of Their Highnesses, King George VI and Queen Elizabeth.

[*Translation*]

The words of our national anthem, Madam Speaker, are important in both languages, and the bill before the House recognizes that importance. However, we know that an anthem is more than the sum total of its words. Does the feeling that grips us in the midst of a crowd as it starts to sing the national anthem stem only from the words? For my part, I feel it is rooted in a universal phenomenon: the manifestation of a need, as well as the will to belong to a group that is larger than the family cell or particular groups. It is also the manifestation of personal belief in values that are held as fundamental, such as our homes and our rights.

What is being asked of Parliament today is that it give a symbolic affirmation of national importance. Certain values are the very cornerstone of societies; they are expressed through signs and symbols that prove their everlastingness. The symbol doubtless does not give birth to the sense of belonging to a country, but it does contribute in no small measure to its collective demonstration and gives us a means of expressing very simply our shared beliefs and emotions.

The question of a Canadian identity lies at the centre of our debate. To some, it is but a myth. To others, it is an indisputable fact.

As I said, Madam Speaker, Canadians already consider "O Canada" their national anthem. By giving force of law to that fact through a unanimous vote, the House of Commons will show, unequivocally, that certain values stand above current dissensions and political allegiances. In so doing, the House will set the example by enshrining one of the most unifying realities of our young collective history, "O Canada".

Constitutional reform will probably keep us busy in the next few months by requiring us once again to go beyond our daily concerns, since while having to see to the difficult job of governing a vast country, we shall also have to meet the urgent need to redefine this country so that it may reflect a reality which is already more than 100 years old.

Madam Speaker, I believe that the greatest temptation would be to take Canada for granted, to suppose that this great ship berthed on three oceans has lowered anchor for all times, to consider our privileged situation in the world as owed to us, and to allow our immediate problems to take precedence over our ideals.

[*English*]

As the historian Arthur Lower wrote more than 30 years ago:

> In every generation Canadians have had to rework the miracle of their political existence. Canada has been created because there has existed within the hearts of its people, a determination to build for themselves an enduring home. Canada is a supreme act of faith.

[*Translation*]

Madam Speaker, beyond the simplicity of the melody, and in the inspiration which carries it, the anthem "O Canada" can be for the majority of Canadians the symbolic confirmation of this determination.

[*English*]

Mr. Knowles: Mr. Speaker, I rise on a point of order. Before the minister sits down, I wonder if he would accept one question for clarification. In the course of his statement he referred to the commitment which the government has made to the effect that in the next session any private members' public bills having to do with the wording of "O Canada" would be permitted to go to a committee for study. That commitment, of course, was part of the agreement arrived at this morning by the House leaders.

This is my question for clarification: Is it clear that that applies to any and all private members' bills put down in the next session, whether or not they are among those that are drawn at the top of the list?

[*Translation*]

Mr. Pinard: Mr. Speaker, I would like to confirm to the hon. member that I agree with his suggestion that these bills be included whether or not they are in the first 50 to be tabled. We have no objection to the subject of these bills being referred to the appropriate committees for study and consideration.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, just so that the consent will be unanimous and silence will not be taken as a question, let me confirm that that was indeed the discussion we had, and I am delighted that the hon. member for Winnipeg North Centre (Mr. Knowles) raised the point.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, first I would like to thank my leader, our House leader and then the members of our caucus for giving me, a relatively new member, the opportunity of being the speaker on behalf of my party in supporting this legislation. I should also like to congratulate the Secretary of State (Mr. Fox) for his very fine remarks.

The national anthem is a matter that is very near to my heart, as I am sure all members realize. As I intimated before, I intended to raise the matter in the Thirty-first Parliament when I learned that all copyrights of the Routhier-Lavallée-Weir version of "O Canada" expired on January 4, 1980, and at last rested in the public domain.

I should like to ask how many countries in the world today have no official anthem. There are very few. However, we in this great nation of Canada are in that unique position. "O Canada" is not officially ours and the song that our children proudly sing in school is not official.

In this august chamber, 282 members are dedicated to the principle of national unity and many moving speeches have been dedicated to that end recently. I ask, is it not sensible to begin a new spirit of unity, a spirit of confederation, by officially embracing the national anthem "O Canada"?

Some hon. Members: Hear, hear!

Mr. Stewart: On June 6 the Post Office Department issued a pair of commemorative stamps, the subjects of which were the music and stylized portraits of the composers of "O Canada". On each miniature pane was the message, "Issued to celebrate Canada Day 1980". Yet that anthem is still not official.

Can you picture the United States without the official "Star Spangled Banner"? Can you imagine the stirring "La Marseillaise" not being the official French anthem? We have "O Canada", a moving anthem in both languages but never recognized by Parliament in a statute. I believe this to be tantamount to sacrilege.

On May 23, 1980, during the debate on my private member's bill to designate "O Canada" as the national anthem of this land, the Secretary of State committed the government to the introduction of legislation which would accomplish this deed. Today this has come to pass. While the bill before us is not the same one I introduced as Bill C-220, I would hope hon. members might leave this chamber today with "O Canada' declared our official national anthem.

• (1240)

Some hon. Members: Hear, hear!

Mr. Stewart: I have received many telephone calls and letters from people all across this nation who are astounded to learn that the Weir version of "O Canada", which has been in common usage in English for nearly 100 years, is not official. We as members of this House would be derelict in our duty if we do not leave this chamber today with "O Canada" enshrined as part of our country's heritage.

I must state categorically at the outset that I champion the complete English words of Weir which we all know by rote and of which we are so proud. I should like to add that the hon. member for Prince George-Peace River (Mr. Oberle) has his own opinion as to the word "native" which has been mentioned. I should like that to be in the record.

Also, the hon. member for North York (Mr. Gamble) is very keen on what was discussed by House leaders here today and the fact that the subject matter would be dealt with in private members' bills. I think the whole matter has been commendable and highly above board. I think we can all be proud of what is going on here today.

Some hon. Members: Hear, hear!

Mr. Stewart: Continuity with the familiar and well-loved words is essential. Tradition is more essential than quibbling over just a few words. We are all aware that there is not one national anthem which will satisfy all people, be it the sentiments, the words or the music.

The Weir version of "O Canada" is Canada's anthem in the hearts of Canadians. It has been sung and played too often in the past 100 years to be neglected. Using the Weir words would be by far the most realistic and simplistic approach, in my view. However, the government's Bill C-36 changes only nine of the original Weir version words. I hope the NDP members to my left will not be sanctimonious in their obstruction by being picayune in their interpretation of just a few words. I want it placed on record that the Conservative party is unanimous in its support that "O Canada" be declared our official national anthem.

Some hon. Members: Hear, hear!

Mr. Stewart: The French words and music remain the same. I think it apropos at this time to mention that Bill C-36 corresponds, as the minister of state pointed out, identically to the report of the special joint committee of the Senate and the House of Commons of May 19, 1967. I might add that the committee held 12 meetings. It listened to many representative groups and perused more than 1,000 proposed lyrics. The unanimous recommendation of that committee was the version now before us as Bill C-36.

A nation's destiny is not in its learning or the amount of information it acquires; it is in its character. Mankind has found that feelings and convictions are conveyed more effectively in symbolic acts long understood and accepted, and that is "O Canada". A national anthem is the expression in words and music of the very essence of the patriotic fervour of a people. As eternal is the yearning for the peace in all civilized nations, it is perils confronted, the sufferings endured and the heroic sacrifices made in the time of war which intensify those feelings mankind from time immemorial has termed patriotism. Thus it is that almost all national anthems are martial songs.

Many national anthems began as popular songs which became favourites of the soldiers because their stirring rhythms made them ideal marching tunes, and suitable words were often added later. Other anthems are based on folk songs whose origins are lost in the mists of time. But not we Canadians; we went so far as to issue commemorative stamps on our supposed national anthem and its composers on June 6, 1980, long before the date of this bill, June 18. So I feel proud to have brought it to the attention of the government.

Rudyard Kipling stated:

> Take 'old of the wings of morning,
> And flop round the earth til you're dead;
> But you won't get away from the tune that they play.
> To the bloomin' old rag over'ead.

All these patriotic songs express feelings of deepest loyalty to the traditions, the ideals, the aspirations, to the very heart and soul of the lands in which they are sung. Such is "O Canada".

Custom and tradition are very real aspects of life but are hard to define precisely. Customs and traditions are living things. They reflect moral values and social conditions, and that is why "O Canada" must live. Custom may be said to be a long-established practice, an unwritten rule, dependent for its continued usage on long consent of society. Such is "O Canada". Tradition is the process of passing from one generation to another beliefs, feelings, codes of behaviour, a philosophy of life. Tradition is symbolism, for most people find it difficult to express spiritual and abstract ideas in a few words.

"O Canada" has its roots in the formation and development of this great nation. Its genesis goes back to the year 1880 when it was suggested that a competition be held for the composition of a national anthem. Some of the principals involved in the evolution of "O Canada" were Mr. Justice Routhier; the Lieutenant-Governor of Quebec, Dr. Theodore Robitaille; the famous French Canadian composer, Calixa Lavallee; music editor, Arthur Lavigne. It had its prime roots in French Canada. It was not until the turn of the century in 1908 that an English version composed by Robert Stanley Weir gradually came into use.

In 1924 the Association of Canadian Clubs endorsed Weir's version as a suitable anthem to be sung at all Canadian Club meetings. At the same time the Weir version was printed in many school readers in several provinces and was given official recognition by the federal and provincial governments on many important occasions. The Weir version was used to mark the fiftieth anniversary of confederation on July 1, 1917.

As stated previously, the words in my private member's bill were those in common usage in both English and French. In 1948, by order in council it became the anthem of Canada's Armed Forces, and they were required to salute it. Similarly, the Department of External Affairs provided that "O Canada" be afforded the recognition of the national anthem of Canada. Also as stated earlier, in 1967 the special joint committee of the Senate and the House of Commons recommended that the government be authorized to adopt the music of "O Canada" as composed by Calixa Lavallee as the music for the national anthem.

The original Weir version would be best but let us not prevaricate. At the present time there are records and printed cards in both official languages. Probaby many members are aware of them; I have them here. I would urge, whatever happens to this bill in the new version we come out with or if it remains the same, by private member's bill, that cards and records be printed immediately and that by working with the department of education in each province they are placed in every school in the land. We could educate at the television level also. I would recommend the national anthem be played for one year following the date of its acceptance at the end of the CBC newscast, superimposing the words on the television screen. I recommend that we use this opportunity of a broadcast publicity campaign for national unity.

Some hon. Members: Hear, hear!

Mr. Stewart: Canada's present has not arisen because of some strange miracle, as was pointed out across the floor as well, but because generations of men and women have been ready to stand for freedom, the rule of law, and to work with courage and dedication. Our hope must be that Canadians of today and of tomorrow will not forsake the idealism that inspired our forefathers and strengthened the purpose of the brave men and women who forged us a new country in a new world. The so-called old-fashioned virtues are as essential today as they ever were to the formation of a new generation worthy of our pride. Nothing can change the need in our national life for people who have industry, courage, charity, patriotism, loyalty and honour.

The designation of "O Canada" as our official national anthem will have symbolic significance and perhaps make a worth-while contribution to the cause of national unity. It may bring to all of us a deeper appreciation of our national heritage and a common feeling of national pride—pride in our forefathers, in their visions and indomitable courage; pride in a rich and generous land; pride in the growth and development of our country; pride in the Canadian people. Perhaps this pride can be expressed appropriately in the words of J. A. Ritchie when he said:

> The wholesome sea is at her gates,
> Her gates both east and west.

Then is it strange that we should love
This land, our land, the best?

I would like members to zero in on the nine word changes and to think in terms of what happens in the House from then on. The original Weir version of "O Canada" reads as follows:

● (1250)

O Canada! Our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
O Canada, Glorious and free,
We stand on guard, we stand on guard for thee.
O Canada, we stand on guard for thee.

The version in Bill C-36 is as follows:

O Canada! Our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada, we stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

This great nation needs and deserves an official national anthem. Whatever the decision is, we are looking at a change of only nine words. We are also looking at an enlightened group in this House, the members of which will discuss the subject matter in private members' bills. I take great pride in supporting Bill C-36.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Edward Broadbent (Oshawa): Mr. Speaker, in a few days Canadians will celebrate the anniversary of confederation. After 113 years, Canada still has no official national anthem. It is more than time, Mr. Speaker, for this House to adopt "O Canada" as our official anthem. For several generations, millions of Canadians have recognized the work of Calixa Lavallée in the national anthem. It would therefore be appropriate, Mr. Speaker, for us to do the same on the eve of Canada Day.

[*English*]

I therefore bring the views of my colleagues very much in support of the action the government has taken today, and I want in that context to compliment the hon. member, who has just spoken for the Conservative party, for his important initiative on the same subject. I fully support both actions and, indeed, the mandate expressed by all members of the House in the motion passed on May 21 calling for this action.

Canadians from coast to coast on Canada Day of this year will at long last be rising to sing the song as their official national anthem, a song which most of them thought for years already had been established as such. As I said a few minutes ago, it is an appropriate action to take at this time and is long overdue.

I want to say in this context that part of the understanding expressed by the minister in introducing the subject today is that a committee will be struck during the next session to deal with some important changes in the wording. I want to underline two of them only; the expression "our home and native land" is one the minister has already indicated is of concern to the government. We have to recognize the fact that, apart from the important original people of this land, the rest of us are immigrants in our ancestry, as well as many immigrants who will become Canadians before very long, all of whom, I think would appreciate terminology other than "our home and native land".

Secondly, in this period of the evolution, slowly but importantly, of equality between the sexes, the line in the song "all thy sons command" should clearly be changed, to remove the obvious masculine bias, in favour of some alternative.

Those are two concerns members in all parties have which can be dealt with by the committee to which the minister has referred. Other members will then have the opportunity to express their concern about other specific words.

I want to conclude my comments by indicating that however one may differ, and whatever suggestions might be made about changes in the wording, some of which are important, the main point to be recognized today is that at long last we in this land will have our own national anthem. I think it is symbolically important that the anthem happens to have been written by a Quebecker. Particularly at this point in our history that is worth noting and worth stressing. It is something all of us in our land, whether we are from Francophone heritage or not, should be proud of. It is a good day for Canada.

Some hon. Members: Hear, hear!

Motion agreed to, bill read the second time and the House went into committee thereon—Mr. Francis in the chair.

Clause 2 agreed to.

On Clause 3—*Public domain.*

[*Translation*]

Mr. Pinard: Mr. Chairman, I would like to suggest the following amendment pursuant to the order of the House made earlier today.

[*English*]

Therefore, I should like to move, seconded by the hon. member for Nepean-Carleton:

That Bill C-36 be amended by adding thereto, after clause 3 on page 1, the following:

"4. This act shall come into force on a day to be fixed by proclamation."

The Chairman: Hon. members have heard the amendment. Is it the pleasure of the committee to adopt the said amendment?

Some hon. Members: Agreed.

Motion agreed to.

Clause 3 agreed to.

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

● (1300)

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker, I think it would be quite appropriate if at this time the House sang the national anthem.

Some hon. Members: Agreed.

[*Editor's Note: At this point hon. members stood and sang the national anthem.*]

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

At 1.02 p.m. the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

BRETTON WOODS AGREEMENTS ACT

MEASURE TO INCREASE AMOUNT OF SPECIAL DRAWING RIGHTS

The House resumed from Friday, June 13, consideration of the motion of Mr. Bussières that Bill C-5, to amend the Bretton Woods Agreements Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, the House had a wonderful hour between twelve o'clock and one o'clock p.m. today when all of us felt very good indeed in coming together in a moment of great symbolism for our country. This is excellent beginning to our celebration of July 1, the birthday of our country.

For the next little while in the House we will be plunged into the depths of the international financial arena. This is not as an emotional subject to be sure, but one that I submit is of importance to our country and to the role Canada plays in the important subject of world development.

As hon. members know, this debate was commenced on June 13 when the Minister of State for Finance (Mr. Bussières) introduced Bill C-5 with a brief speech which I found acceptable and which, indeed, I support.

● (1410)

His speech was followed by that of the hon. member for St. John's West (Mr. Crosbie) who made some observations on the use of the international monetary fund. He was speaking in his capacity as a former minister. At that time he said that, with regard to the whole subject of north-south dialogue, the hon. member for Edmonton South would be speaking later in the debate. Now, sir, we have arrived at that point.

It is very timely and instructive for us to consider that we are resuming our discussion on the amendments to the Bretton Woods Agreement Act following the Venice Summit last week. The Venice Summit issued a very important communiqué dealing with the whole subject of economic relations around the world. A section had to do with relations with developing countries, particularly their monetary problems. If we refer in this debate to the Venice Summit as a launching point, we bring very sharply into focus what this bill is asking us to do.

As I say, I support the general increase in quotas for IMF members. That is a good step toward the creation of a more stable world monetary system. I am buttressed in that comment when I read from the Venice communiqué issued earlier this week paragraph 28, which I now wish to put on record as it is central to the direction of this bill. What this bill is asking us to consider is very neatly conveyed to us in paragraph 28 which states, and I quote:

> Private lending will need to be supplemented by an expanded role for international institutions, especially the International Monetary Fund. We are committed to implementing the agreed increase in the IMF quotas and to supporting appropriate borrowing by the fund, if needed to meet financing requirements of its members. We encourage the IMF to seek ways in which it could, within its guidelines or conditionally, make it more attractive for countries with financing problems to use its resources. In particular, we support the IMF's examination of possible ways to reduce charges on credits to low-income developing countries. The IMF and the World Bank should work closely together in responding to these problems. We welcome the bank's innovative lending scheme for structural adjustment. We urge oil-exporting countries to increase their direct lending to countries with financial problems, thus reducing the strain on other recycling mechanisms.

That is the end of paragraph 28 of the Venice communiqué. I have put it on record so that all those assiduous readers of *Hansard*, whose number is legion, will know what the Venice seven said, since it is very difficult from following the Canadian media to know with precision what happened in Venice. Very little attention was given in the media in Canada to that section dealing with developing countries, and indeed the section I have just read is taken from *The New York Times*.

Along with the Venice Summit, there is another document I wish to refer to which puts our debate in very sharp focus, the Brandt report. It was compiled by a distinguished group of 18 leading world citizens headed by the former chancellor of the Federal Republic of Germany and the Nobel peace laureate. Following some two years study, they issued a report entitled "North-South, A Program for Survival". It is an extremely important report. One of its recommendations deals with the reform of the monetary system. The recommendation of the Brandt committee is as follows:

> A key element in international policies to increase monetary stability is to relate the distribution of Special Drawing Rights (SDRs) to the financial requirements of developing countries.

Our debate this afternoon could not come at a better time, not only in light of the Venice communiqué and the publication of the Brandt report, which the London *Times* has called "the book of the year". It has not yet received sufficient attention or notice in our country. It is a report now published as a book. For the information of the readers of *Hansard*, I will mention that it is published by the MIT Press, the

Massachusetts Institute of Technology Press, in paperback, for $5.95. In my judgment, it is the single best exposition of the global condition that we face today with respect to economic and social development. This subject is of central concern at the United Nations, which is going to hold a special session on development beginning August 25. This is the first special session of the United Nations on development since 1975.

Another reason for the timeliness of the debate is the proposed north-south summit which will bring together some 25 world leaders from northern and southern countries. Discussions are now going forward to bring these 25 world leaders together in 1981. That is a principal recommendation of Brandt.

The Summit of the western seven which just met in Venice will meet again next year in Canada. There is every indication that the north-south question will be central to the summit at which Canada will be host. This must be taken together with the creation of a parliamentary task force on north-south relations, one of the special task forces established by this House some time ago. When we put all that together, we see the urgency of Canada responding to the challenges that we face as we enter the next development decade, the 1980s. A round of global economic negotiations will begin following the special session of the United Nations general assembly on development.

From a bird's eye view, one can see the urgency of Canada formulating a position to be announced at the special session on how to break the north-south log jam that has developed over the last few years. I pay my compliments to the Deputy Prime Minister (Mr. MacEachen) who was a co-chairman of the forerunner to what will be north-south conferences throughout the 1980s, and a forerunner to the conference of economic co-operation otherwise known as the Paris conference of 1975-76. The Deputy Prime Minister was co-chairman along with his colleague from Venezuela. That was an important milestone in bringing together for high level discussions what can practically be done and where are the areas of priority. I will return in a moment or two to these special areas of priority.

With this sense of urgency I have outlined, I make my plea that Canada establish realistic, sensible policies with respect to food, energy, trade and monetary finance. Monetary finance is the centrepiece of the bill we are now debating. We have to consider the present state of the world. Why is this an urgent situation for Canada among its industrial partners, otherwise known as the north? Why is it important?

There again, if we look into the Brandt report we can see some very succinct summaries of the grave conditions which the world faces. In fact, Brandt says the world faces much greater dangers than at any time since the Second World War. The world economy is functioning so badly that it damages both immediate and long run interests of all nations. The problems of poverty and hunger are becoming more serious and, as we know, there are already some 800 million people living in extreme poverty and their numbers are rising. Shortages of grain and other foods are increasing the prospect of hunger and starvation.

● (1420)

We have also to consider that over the next few decades the addition of two billion people to the population of the world will cause much greater strain on the world's resources. The industrial capacity of the north is underused, causing high unemployment, while the south, that is to say, the developing nations, are in urgent need of goods which the north can produce. Rapid inflation, erratic exchange rates and unpredictable interventions by governments are seriously disrupting international trade and investment.

We have had discussions in the external affairs committee particularly on this subject from time to time. I must say in passing that I find it disgusting that the House of Commons so seldom debates questions of world economics bearing in mind the great importance of this subject. Nonetheless, we have an opportunity today to note that closing the gap between rich and poor is no longer just a matter of striving for social justice, though that goal is still paramount.

It is also essential to the continued development of the industrialized north. The north itself has more interest in common than is generally recognized, and this is what Brandt is trying to tell us. Energy, commodities and trade, food and agriculture, monetary solutions and inflation control, technological innovations, ground and space communications—these are some of the areas which are drawing us together whether or not we live in the industrial nations or in the developing nations.

I believe that what we have learned as we go into the third development decade is the need for a two-pronged approach in order to make progress in north-south relations, to ensure a better exchange of trade, a pace of development quicker than is presently taking place throughout Third World countries. There must be a renewed emphasis on basic human needs. That is the first element and that is where, in my view, official development systems programs administered by the Canadian International Development Agency have gone astray in the seventies.

I say this because the agency emphasized projects of a very large nature often to the neglect of the human needs of countries in great distress. Even at this moment, though we recognize there is great need today in countries like Zimbabwe, Uganda, Nicaragua and Kampuchea, the inflexibility of Canada's aid program prohibits us from dispatching money quickly to areas of great distress which the people of Canada would, I believe, be greatly concerned about assisting. For greater detail on this particular aspect, the inflexibility of Canada's aid program, I would draw the attention of hon. members to minutes of recent meetings of the Standing Committee on External Affairs and National Defence.

In any event, the first element of the two-pronged approach is greater emphasis on basic human needs within our aid program. The second is the reform of international institutions. Improvements must be made in the trade and monetary sys-

tems of the world which were set up, in particular, at Bretton Woods. The bill we are debating today is to make amendments to the Bretton Woods Agreements Act.

We must understand that an approach by these two avenues is at the heart of a realistic response by Canada to the needs of developing nations and one which ought to be advanced at the special session on development. We now have a better understanding of development than we did in those earlier years and I am not overcritical of what Canada has done. Indeed, I have great respect for many of the programs which have been undertaken and for many of the people who have been involved. I have great respect for them, indeed. But, as I say, I believe we have reached a better understanding as a result of our experience and that it ought to be applied as we consider this bill and attempt to advance a better policy for the 1980s.

The goal of development is now clear. It is to lead to self-fulfilment and creative partnership in the use of a nation's productive forces and to full human potential. This means adopting strategies and emphasizing improvements in the quality of life, not just in GNP statistics. Scientific, technological and economic opportunities should be developed to allow a more humane and social economic order for all people.

That is a little of the background to our present situation. Now, Mr. Speaker, along with the better understanding of development which we now possess, along with an emphasis on this two-pronged approach, we must consider that there is a mutuality of interests. We must consider that it is in the interest of the northern countries to participate more vigorously in exchanges with developing nations. It is certainly in Canada's interests.

The Harvard *Business Review* recently reported that 34 of the 500 largest international companies are now based in developing countries. This gives us cause for thought. As you know, Mr. Speaker, we often think of Third World countries as aid clients where the situation is one of unrelieved gloom and despair. While we must not underestimate the amount of suffering which still prevails in many countries, nonetheless—I speak from my own experience at having visited many of these countries in Asia, in Africa and in South America—a process of industrial development is taking place which is of great interest to Canada.

So far, though, our economic links with developing countries remain weak. Only 8 per cent of Canadian exports, including those financed by the aid programs, go to the Third World, yet 37 per cent of United States exports go to developing countries, 45 per cent of Japan's and 18 per cent of the European Community's. Similarly, only 12 per cent of Canada's imports come from developing countries as compared with 35 per cent for the United States, 53 per cent for Japan and 20 per cent for the European Community.

The overriding importance of the influence of the United States on Canada's trade pattern is well known and it cannot be overlooked. There is, nonetheless, a great potential for expanding Canadian trade and economic links with the Third World. This is a point which is developed at great length in the 1978 study of the Economic Council entitled "For a Common Future—A Study of Canada's Relations with Developing Countries", in which we find advanced a very strong argument centred upon the fact that, if many foreign corporations are investing in the developing world, it is likely that Canada would suffer loss of markets and, consequently, of employment and profits if its firms do not do likewise. I quote, now, from the report:

> We believe that the benefits to Canada from direct investment in the developing countries by Canadian firms most often clearly outweigh the cost.

● (1430)

There has been the creation of some committees recently at the business level. The business community is showing some signs of increased attention and interest in relating, in joint ventures, to the needs of the developing countries on a commercial basis. I think that is a good thing because, as the business community becomes increasingly aware of the trade potential with those newly industrialized countries, and as the business community becomes more convinced that it is in its interest to relate to developing world markets in the way that the United States, Japan and the EEC are relating, that will help to give Canadian business a wider view. CIDA has an industrial program in which it is putting seed money into starter studies, feasibility studies and so forth. That is also a good move, but much more is needed if Canada is to reach its full potential in relating to those vast, vast markets which are at the point of opening up for our country.

I think Canada is well placed to assist developing nations in utilizing computers, satellite monitoring and genetics to improve the world's food supply, in adapting microelectronic technology and decentralized production so that new manufacturing techniques can be integrated into rural societies and in dividing limited resources between telecommunications and transport which would enable villages and small industries to derive more benefits from new developments in communications technology.

That is just a highlight of the things that can be done and are being done by other countries and to which Canada must relate. I would say, in short, that the Canadian private sector, with expertise, technology and capital at its disposal, has a vital role to play in international economic development.

In large measure development is management. It is the management of the development of people and social and economic systems within a country. The spread of management techniques can be a critical factor in determining the course of world development over the remainder of this century. A man who is very familiar to members of this House and who is a very distinguished citizen and one of the architects of the Brandt report, Mr. Shridath Ramphal, Secretary-General of the Commonwealth, said recently, and I quote: "There is a management role of massive proportions in shaping the kind of world that will greet the twenty-first century."

That brings me now to the essence of the Brandt proposals. I have said that I would like in the final moments I have here today to relate the Brandt recommendations to this larger framework of mutuality of north-south interest. We have to

look at Brandt in a very sweeping way at this moment, but again I say that the depth of his studies and of his recommendations merits very close attention by hon. members. Of course, it is now being given close attention by the parliamentary task force, but I speak at this moment to those officials of the government who are in the process right now of drafting statements and policies and I ask them to consider a way by which Canada can make a realistic statement of intention on how we are going to relate to this program of priorities set out by Brandt.

First, the priority needs of the poorest: that is to say, a major initiative in favour of the poverty belts of Africa and Asia is needed. Then the abolition of hunger, with more systematic food production programs. Attention must be paid to commodities. The proposed common fund to stabilize prices of primary commodity exports at a remunerative level needs adequate support. Manufactures, trans-nationals, technology in mineral development are major themes which need to be given our attention.

A new approach to development finance: Because in Brandt's analysis there is such a tremendous sense of urgency in the program, he has come down to suggesting four emergency programs which we ought to consider seriously. We should give our immediate attention to them.

Let us try to cut through this immensely complicated subject which is full of what I often call magnificent abstractions. Let us try to cut through and recognize that there are four essential things that can be done. They can be started. Canada can take leadership in building bridge. Canada can take leadership in advancing these programs at the special session on development.

The first is resource transfers. A total of an extra $4 billion from donor countries—all the donor countries of the OECD—should be directed to the poorest countries and regions most seriously threatened by the current economic crisis and provision should be made for financing the deficits of middle income countries.

Second is energy. There should be an international energy strategy to ensure more secure supplies, more vigorous conservation, more predictable changes in prices and the posturing of the development of alternative sources of energy.

Third is a broad program of food production and agricultural development to overcome food deficits in poor countries and to ease inflationary pressures in the world food market.

The fourth emergency provision is an immediate start on broadening the base of international financial institutions. In the industrialized countries there should be greater access to the processed primary products from developing countries, and serious steps should be taken to stabilize commodity prices. In developing countries expanded food production, decreased inequalities, increased internal co-operation, efficient and equitable use of transferred financial resources and the encouragement of a positive international investment climate are needed.

In that fourth category of an emergency program which Brandt asks be advanced by the industrial countries immediately, we find this present bill this afternoon inserted because we are asked to consider the enlargement of our quota to the IMF. This stability that an enlarged IMF would obtain would not only help Canada with its international transactions but also would help the developing countries take advantage of prospects in world trade and investments. The increase in quotas is but one step in the reform of the monetary system that is needed.

What are some of the precise things that need to be done to make some improvements in the IMF? The Society for International Development, the largest private, non-governmental organization in the development field in the world, has recently considered this situation in some depth. What that society is recommending is that the existing international financial institutions and regional banks be considerably expanded by increasing their capital base. We are beginning to do that this afternoon with this bill, but their operational policies and structures should be thoroughly reviewed and reformed along with the expansion. In particular, the World Bank should increase its lending program from the current 2 per cent of the total to at least 10 per cent.

Second, the conditions of IMF loans should be intensively reviewed and revised in consultation with developing countries to ensure that an inappropriate and unfair burden of adjustments is not imposed on the developing countries in a short period of time.

Third, the voting structure and management of the Bretton Woods institutions should reflect much greater and more effective participation by developing countries in actual decision-making because, as we know, the Bretton Woods Agreements were set up in the late forties following World War II. Most of the countries which are now trying to develop their own economies were not countries at that time, they were colonies. They came to their political liberation throughout the fifties and sixties, and now we are faced with this international crisis in which countries do not have the financial or industrial capacity to meet the need for imports at high prices from the industrialized nations and cannot receive sufficient prices for the export of their primary commodities. I refer to those 18 principal primary commodities the prices of which are generally controlled by the consuming industrialized nations.

An accommodation must be made. That is the essence of the work of the United Nations, the Brandt report and of all those institutions that are now studying the heart of the economic condition of the world. It is sensible and practical to do that. I believe there is a very specific role for Canada to play. We have signed that Venice communiqué. I read paragraph 28 earlier. Canada is a signatory to that communiqué. I expect the Canadian government to live up to the implications of paragraph 28. I expect the Canadian government to take it seriously and not treat this in a rhetorical way. It is not rhetoric that is needed in the 1980s, it is not more studies and more analyses. It is some practical programs, and in my speech this afternoon I have given some specific suggestions with

respect to the improvement of the International Monetary Fund in a way that will relate to the intent of this bill for enlargement of our quota.

● (1440)

I believe that Canada must give a signal to its partners in the OECD. The signals which we are now giving in which we see that ODA will be reduced to 0.37 per cent in the CIDA estimates for the year 1981-82, falling below 0.43 per cent, where it now is, when the international target is 0.7 per cent, are going in the wrong direction. I appeal to those who formulate policy in this country and I ask members in the House to think seriously about ways in which Canada must, realistically and sensibly, respond to the international crisis about which every informed observer today is becoming greatly concerned. We are not in a hopeless condition; in my view, the glass is half full, not half empty. But we must take some steps of a concrete nature to reform the international financial institutions in ways which will benefit both the north and the south, because when we do that, we will improve the economic and social condition for humanity as a whole.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am very happy today to follow my colleague, the hon. member for Edmonton South (Mr. Roche), on Bill C-5 which has to do with an amendment to the Bretton Woods Agreements Act.

I would like to begin by saying that this morning I was here in the House when we as the House of Commons adopted "O Canada" as our national anthem. It was a very historic moment in the sense that after 100 years we finally said we had a national anthem. When we stood as a group here to sing our anthem I felt that the way in which we sang it reflected what we are in Canada. It was almost humorous in the sense that people were singing different words, not just in French and English, which is the way the hymn is written, but using different words to our own national anthem.

I think in a sense the fact that members of Parliament were not sure of the words to their own national anthem is symbolic of the way we face the whole question of international development and what is happening around us in the world in general, because our national anthem is a symbol, and it is very important, to be certain what that symbol is, to know what we are.

When we move into the world of international life and, in particular, international development, we are often confused for various reasons. It is somewhat like the situation this morning when we did not all know the new words to our national anthem; but at other times it might simply be because the problem is so immense that we have forgotten how to look at it and how to be part of it.

As the former speaker has said, I feel that today is the appropriate and symbolic time to look seriously at what we are doing with regard to the rest of the world. We have finally put our own House in order so far as our national anthem is concerned, and now let us seriously look at the whole world and how people would view the situation of a country where not having a national anthem is a problem. They probably wish they had only the problem of not having a national anthem. Most people in the world could not even imagine a country which would have that as a problem.

Another point which I would like to make, Mr. Speaker, is that I believe it is symbolic that we are considering this question on a Friday afternoon. From the short experience I have had in the House of Commons, I would say that Friday afternoons are generally not considered to be prime time for discussing something of importance.

An hon. Member: It is if you have a prime speaker.

An hon. Member: Why not? Stanley is here.

Mr. Ogle: Generally, many of the folks have already gone home because they do not think Friday afternoon is that important a time to be here.

An hon. Member: Shame on all those members.

Mr. Ogle: The fact that this bill has been scheduled for a Friday afternoon when all those members have gone home is significant. So far as I know, it has always been scheduled for a Friday afternoon. In spite of the fact that this bill, which is of such profound importance to people all over the world, has again been scheduled for a Friday afternoon is saying something other than what the bill is saying, because symbolically this bill is a big bill. Bill C-5, or the amendment to the Bretton Woods Agreements Act reads:

> The Minister of Finance may provide for payment out of the Consolidated Revenue Fund to the International Monetary Fund in the manner and at the times provided for by the agreement therefor set out in the first schedule, of a sum or sums of money, not exceeding in the whole an amount equivalent to the subscription required from Canada, that is to say, two billion, thirty-five million, five hundred thousand Special Drawing Rights.

That is a lot of money when we realize that a special drawing right is now valued at about $1.20. The difference that this amendment makes, I have figured out from what was previously in the bill, amounts to $678,500,000. I think that is a lot of money to be talking about on a Friday afternoon.

What I am trying to say is that we should approach in a more serious way the question of poor people in the world. When I say serious, I do not mean only that we should play a greater role in the International Monetary Fund, but that we should look on the whole question of international development as an ultra important issue at this time in our life.

We are talking here about a bill that is an amendment to the Bretton Woods Agreements Act. I expect that most members in the House have a knowledge of what the Bretton Woods Agreements Act is, but as I was coming to the House today and I told someone that I would be speaking on the Bretton Woods Agreements Act, he asked me: "What is the Bretton Woods Agreements Act? Is it a housing development?" It could be; that is what it sounds like. Another person smartly asked: "Maybe it is the name of a new movie star?" Well, that was not said maliciously, but I think names like Bretton Woods cover up many sins and it is important for us to understand this and to go back in history.

I should like to tell the House where the name Bretton Woods came from. During the Second World War people were facing a crisis of a magnitude never faced before. Those who believed that they were the winners before the war actually finished realized after the war that there was a great deal of destruction in Europe, Japan and other countries which had been enemies, destruction so great there was no possibility for the economic life which had stirred the world prior to the war to be recovered. In a little place called Bretton Woods, New Hampshire, people representing Canada, the United States, Britain and so forth came together to see how they would run the economic game of the world after the war was over and there was no more fighting. They realized it was going to be necessary somehow to rebuild the world which had been destroyed during the war.

● (1450)

From that meeting in 1944 at Bretton Woods, New Hampshire, two ideas evolved. One was that there would be a world bank of some sort, a place where funds would be available for this rebuilding. At the same time it was decided there should be an International Monetary Fund to safeguard the funds and ensure they maintained value in one way or another, by adjustment around the world, in order that trading arrangements which had been made prior, and would be made later, could continue.

As a result of that meeting, following the total destruction of Europe, Japan and many other countries during the Second World War the world began to revolve again in an economic way. The Germans, Japanese and so on not only regained a level of economic and social security in the world but actually went further ahead.

Let me present a little story to illustrate what happened. The whole thing that began at the Bretton Woods meeting was not unlike a poker game. I am not a poker player—

Some hon. Members: Oh, oh!

Mr. Ogle: —but I know there are some hon. members in this House who are and will be able to understand the situation better than myself. They will understand the idea I intend to propose.

Mr. Whelan: Is Stanley one? Are you a poker player, Stanley?

Mr. Ogle: My colleague the hon. member for Winnipeg North Centre (Mr. Knowles) does not know what poker is, so I will explain it for the benefit of other hon. members who do not know. In a poker game each player starts with chips which represent wealth. As you start to play the game the chips begin to move from one player to another, depending upon luck, skill and a lot of other things—cheating maybe at times. In any event, the chips begin to move. Those who enter the game with the most chips, not always but almost always have the best chance to win. Those who enter the game with the least number of chips, or next to none, have the greatest chance of losing all, or at least of not being able to stay in the game very long.

After the Bretton Woods Agreements of 1944 there were certain players in the game who had a lot of chips. The United States had never been richer and it was able to put in a great quantity of chips. Canada put in an amount proportionate to its population. Other countries were able to put in only a very few.

I have heard there is a rule in poker that you never lend money to any player during the game because it is possible that individual could play you out of all your money in the end. In a sort of a way that same rule applied after the Bretton Woods arrangement. The countries which had to be loaned great quantities of money, Germany and Japan, did not lose the game but, as it turned out, became the winners. That was the result of many things. One of those aspects which had a great deal to do with this outcome was that those countries did not have to pay for armies any more and did not have to buy weapons, as they had been doing prior to that time.

As time went on and more players got into the game, or into the monetary fund arrangement—and there are now 138 players, I believe—many of them had very small stacks of chips. Those countries still have a very small stack of chips, and they do not have much chance to make any of the rules of the game. Because they are unable to do that their chances of winning are very small.

One of those countries is Turkey, a country which just recently ran out of chips. Jamaica also ran out of chips. Other countries have been in a bad position in relation to the International Monetary Fund in recent years, including Britain and France. Even Canada at one time not too long ago was looking at the idea of getting involved in the monetary fund, or taking a loan from the banker in the game, but the banker came in and decided we would have to play the game in a certain way.

One thing about the International Monetary Fund we have to remember is that when money goes into that fund the bankers, those in charge of the fund who work out of a big office in Washington, are responsible for how the money is to be used. The question I ask the government, and I support the idea as outlined by the previous speaker, the hon. member for Edmonton South, is: should we put more money into the bank as long as we can be assured that those funds will be used to help those who are in need? At this time I would like to come back to the very simple and basic question, and that is, what is the whole International Development Fund all about?

As far as I can see, the whole idea of international development basically means that every single human being on the face of the earth, no matter what age, sex, colour, religion, background, language, or whatever else distinguishes that individual as a human being, will be able to live in such a way that their individual dignity is maintained, just as the dignity of you and I and everybody in this House, Mr. Speaker, is maintained. The idea is that such a possibility will exist.

It is interesting that we should constantly remind ourselves that the poor, wherever they are, are not poor because they want to be poor. If you happen to be born in Somalia, Cambodia or in one of the Central American countries, and you look like this and you speak like this, being a little different from us, you are not in financial and social straits because you want to be but because, with the breaks of the so-called game I have been talking about, your particular part of the world did not reach the level of development where the human element was constantly considered. I believe this is something we have to take very seriously to heart as we look at the whole question in this bill before us today regarding the international monetary fund and how it will effect the lives of the poor people.

I think it is important that we look at this bill in the context of why it is so difficult for this to be a popular idea; popular in the sense that we are willing to try to solve the world's difficulties with will, desire, hope and joy. Why is that? Perhaps it is because the problem has become so great that we are very happy as Canadians to recall our own serious problems. I believe it is more difficult in this country of ours today to approach this problem than it was five years ago. Certainly it is more difficult than it was ten years ago. Perhaps I am afraid, perhaps other members are afraid, but generally people are afraid to face what is going on outside. I can understand that because it is a fearful idea.

• (1500)

I should like to relate another little story concerning how I see the particular situation that is happening in Canada. As Canadians we are one of the most privileged people on the face of the earth. It is simply a fact. It is partly due to our history and a lot of things with which we did not have anything to do.

Mr. Whelan: Partly it is due to the Liberal government.

Mr. Ogle: Very little of it is due to the Liberal government. However, our problems may be coming from that source. We live on one of the great parts of the world's surface. We have natural resources to no end in the ground, on top of the ground, and everywhere. There is still a small population related to our resources. People came to our country, brought great talents and all things necessary to put together a homogeneous group of people. Nevertheless, they cannot sing "O Canada" as a group very well.

We have a lot of privileges. I have never seen a single person die of starvation in this country. I have never seen a dead person as a result of starvation. There have been some, but I have never seen one. I have seen thousands of people dead from starvation in other parts of the world. They did not want to die like that. It was not their basic fault that they died like that. We have privileges, but somehow or other we have to relate to those people. As I said just a moment ago, I should like to relate just a little example.

The planet and all that is involved in its life is going at a speed which we have never experienced before. I will explain that in just a moment. Right now Canadians are something like a family inside a stateroom on a sinking ship. The family is arguing about who is going to sleep where, who is going to get up first and who is going to get breakfast. They are wondering about all the important things which keep a family alive. But outside the ship has hit an iceberg. It is the *Titanic* and it is on the way down, unless something drastic is done quickly. The only way this family will become aware of what is taking place outside is by opening the door to the stateroom. When they open the stateroom door, the room will fill with icy water and it will hurt. As long as we sort of keep the door closed, it is like saying to ourselves, "Let us not worry about what is going on out there". The former speaker referred to the Brandt report which dealt with a similar scenario. This is not just a story to talk about. The report indicated that now we are faced with a situation which requires a program for survival. It referred to not only the poor people but to all people on the face of the globe.

The sooner we can get our family affairs in order, the better. I appreciate the fact that the constitution is very important; I have no difficulty with that. It is equally important for the family to decide how it will live and work as a family. I would like to see this kind of thinking. I would like to see this kind of action taken as quickly as possible so that we can be part of the greater community. I believe our country has a great deal to offer to the greater community. We have more to offer than just the fact that we will take a bigger part in the International Monetary Fund because of the bill being discussed at this time. In order to put this into perspective, at this time in our Canadian history and of world history in general, drastic changes have taken place in the last ten or 20 years which have never taken place before. These changes demand some of the things recommended in the Brandt report.

I should like to relate another story. I realize that all the people in the world cannot get on one train, but let us imagine that all the people in the world are on a passenger train. The train is going down the track of history. Now, I know many people in this chamber have ridden on trains. Interestingly enough, a lot of young people today have never been on trains, but members of the chamber are old enough to have been on trains. When people travel on trains they are sitting, and the world is going past them as they pass by. As a rule they are comfortable, but if they go to the back of the train and look down what I would call history, they can see the tracks, ditches and telegraph lines. It is all there, it is perfect. It looks as if they are safe because they have come thus far. However, very few people see what is going on in front of the train. That is what I am trying to speak about today.

The front of the train is not like the back of the train. Up in front new components have been brought into the situation that were not there before. For instance, let us imagine that the train carrying the world population is coming to a bridge which has a series of pillars holding it up. None of us really understand the pillars completely, but they are very different from the tracks we have crossed. I never thought some of these pillars even existed 25 years ago, but now they have become

the key pillars in the whole matter of holding up the train and giving the passengers the possibility to live as human beings.

One pillar which I did not even think about 25 years ago was that some natural resources would run out. Natural resources are one of the pillars holding up the track as the train passes over. It is not as solid as it was 25 years ago. Twenty-five years ago I never heard a single person speaking about the fact that there would be an energy crisis because we would run out of petroleum in my lifetime. They talked about 400 years, 500 years, unlimited quantities. But the pillar we did not even think about years ago has now become a key pillar to keep the train on the tracks. If we look at that energy pillar, at this particular time it is one that is keeping the poor poorer because they cannot afford energy as they could ten or 20 years ago. It is a new piece of track which must be crossed.

I should like to refer to another idea which is another pillar. I do not think I even heard the word "pollution" when I was in high school, but now it is used by grade one students. Pollution is what we leave around as garbage and trash in the air, on the ground, and in the water, which make up our planet. That is what we leave around as human beings, particularly if we continue to develop in the manner we have. We leave garbage and trash around to the extent that we are destroying the planet. That particular pillar will be crucial if our train is to get across. Anyone who has listened to the questions in the House concerning acid rain, the death of lakes, and atomic waste dumps, realizes that is another pillar that is necessary for us to cross.

Another real factor in the whole situation is the pillar of population. If my statistics are correct, Mr. Speaker, half the people who have ever lived on the planet will be alive in my lifetime. The third pillar is population. For centuries the population of this planet was stable and low, but suddenly it has spiralled. That is a pillar that reflects part of our expectation for the future.

● (1510)

Brandt indicates some other things in his program for survival that are essential to the whole question. Naturally, when discussing survival, he deals with food. This is an easy subject to discuss when one is satisfied and not hungry. I doubt if anyone in this House or in the gallery today is really hungry, and I am sure no one is starving, so it is very difficult to put into perspective the tremendous importance of the food pillar and the production of food.

Another pillar we have to cross with our train carrying the human population of the world is the transfer of resources — how to sustain life over there. How is this going to work in this poker game? Until now we have not been able to find a way to fix that pillar.

In the context of the Bretton Woods Agreements and the International Monetary Fund, we must find a way to build the final pillar so that not only will it bear just the first two or three coaches that go over, but so that all the people of the world will be able to cross that bridge to the future.

Until now most people have been afraid to look ahead. There is now a greater awareness of the future, I believe. It may have a very real impact upon us in ways that we may not want but will not be able to stop because of the interrelationship that now exists between all the peoples of the world.

This little book, "North-South, A Program for Survival", is published as a result of the findings of an independent commission chaired by Willy Brandt. Why was it not given another title? What does that title mean? It is not north-west or north-east. It is north-south. It is as if north-south were an impossible direction, as if you cannot move that way. Of course it does not mean that is the direction we are going, but rather it presents the idea that two sides have to get together that do not normally do so.

Where do these words come from? We get into the habit of using words and terms that do not mean anything to others, so I do not think it would be out of line to explain how these terms originated and how I believe they were addressed at the Venice Summit last week in a way that I do not think they have been addressed before by the international community.

The first thing to consider is the direction—east-west. Following the Second World War the term east-west came to mean the west, referring to the capitalistic countries of western Europe, the Americas, Japan and Australia, and the east, referring to the communist bloc, Russia, China and other iron curtain countries. Following World War II the confrontation that came at various levels of détente became known as east-west.

In the 30 or 35 years since World War II another movement of people was taking place. This was not because of a political affiliation to the capitalistic or communist systems, but came about because of differences between those who had and those who had not. In general those who had were part of the northern part of the globe, not always, of course, but in general those who had lived in the northern part of the globe; and in general, those who had not lived in the southern part of the globe. In the last ten years or so countries in the poor areas of the world, those that have not developed an economy sufficient to sustain them, became known as the south, and those in the area of the world that has goods became known as the north.

The new terminology that Willy Brandt has used in his dialogue refers to the new tension that exists between those who have and those who have not.

At the Summit in Venice last week the part of the meeting which dealt with international aid, international exchange and so on, was unfortunately not reported in the Canadian media, as far as I could see.

Last night I was informed by the president of the Canadian International Development Agency that after the committees had prepared the document and handed the work over to the leaders in Venice, the leaders wanted to add another paragraph. I believe that paragraph relates to what I have spoken about here—east-west, north-south. Apparently it indicates that this question of development is no longer a question of the

rich west dealing with the underdeveloped countries. It indicates that planetary development will not happen now unless those countries that are also in the eastern bloc, and particularly those that belong to OPEC, are called to the table where international monetary questions are settled. We have to "disentangle" is the way I would put it, this confrontation, and make our priority a new kind of war on misery in the world community. That is not going to be easy, but it is a great step forward to bring the whole world community into that.

I should like to say in conclusion, Mr. Speaker, that if we can put our heads together and consider the future of humankind, perhaps we could see to it that the funds now going into military hardware, some $450 billion per year directed to the destruction of people and countries, could instead be directed into a war against misery in the world. If we could do that, then this symbolic thing we are doing today of approving this exchange in the International Monetary Fund would show that we are ready to make the decisions that will save this planet for future generations of humankind.

Some hon. Members: Hear, hear!

● (1520)

[*Translation*]

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, on second reading of Bill C-5, the hon. member for St. John's West (Mr. Crosbie) raised a number of points concerning the problem of recycling the OPEC countries' surplus dollars to oil importing countries having balance of payment deficits on a current basis. The following notes suggest elements of answer to the hon. gentleman.

One of the greatest challenges facing the international financial system in the near term is ensuring that burgeoning surpluses in OPEC countries will be used to finance without undue stresses the deficits in oil importing countries, especially the underdeveloped countries that are hardest hit. The latter are faced with a major deterioration of their current accounts, by reason not only of increased prices for their crude oil imports, but also a recent decrease in economic growth in industrialized nations.

In respect of difficulties experienced by underdeveloped countries—UDC—in financing their external deficits, Canada among industrialized nations supported the principles established in April at the meeting of the IMF interim committee in Hamburg, and more recently at the OECD ministerial council. Private financial institutions no doubt will still be playing a key role in the recycling process. However, in view of sizeable commitments by many banks and the difficulties experienced by some UDC to borrow on the markets because of their debt problems, international financial institutions such as the IMF and World Bank probably will have an increasing role to play.

These institutions will be in a position to make available to their member nations financial help that is both adequate and capable of promoting the adjustments that already appear necessary and inescapable. The ability of international financial institutions to meet theses challenges will have to be frequently reviewed. The quota increase that is now at the ratification stage, in Canada for instance through Bill C-5, will make a significant contribution.

It is also in that spirit that the IMF interim committee authorized the fund's general director to initiate discussions with countries with surpluses on the terms and conditions under which the fund could borrow to increase its liquidity, were the need to arise. These efforts may prove to be not entirely adequate in the case of a limited number of countries that could face extremely acute problems. In those cases, the international community might have to create temporary and special assistance mechanisms.

The situation of the poorer countries is particularly alarming because several of them have few opportunities to implement the readjustment policies required to restore balance to their external accounts. It should be mentioned that each increase in crude oil prices by OPEC strikes a serious blow to the economic viability of those poorer countries. The continuation of development programs, even at a reduced pace, will depend mostly on the privileged assistance efforts of the international community. Canada's assistance program is based on those needs and we have already increased the funds allotted to that group of countries. However, their problems will be solved only if OPEC countries with a surplus agree to increase the amounts allotted for public assistance to development or avoid sudden and repeated increases in oil prices.

In general, the problems I just mentioned clearly show that industrialized countries and oil producing countries should start a dialogue as soon as possible to try to bring a larger measure of common sense and direction to the present situation, as stated recently by the Minister of Finance (Mr. MacEachen) before his OECD colleagues.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not going to take very much time of the House, but listening to the presentations made by some members, I would be remiss if I did not say a few words.

I have just attended the World Food Council meeting in Arusha, Tanzania. I listened to representatives of some countries who were there bragging that they would have balanced budgets in 1981. This happened in East Africa where we know millions will starve to death this year. I do not know how Canada or any other country could say that we must have a balanced budget knowing full well that our duty is to our fellow man. No matter in what part of the world people live, our duty to them must come first and foremost. I was astounded when I heard some people mentioning balanced budgets. I was also alarmed when I heard representatives of some of the developing countries criticize the World Bank for its attitude on providing money for them. I reported this to the Prime Minister (Mr. Trudeau) on my return to Canada.

I am happy that the Prime Minister of Canada has taken part in discussions just recently in Venice with other world leaders, offering his participation in a Summit meeting in accordance with the Brandt report. This will involve approximately 25 countries, including OPEC and other industrialized and developed countries of the world. I think this is an urgent matter which cannot wait any longer. I am proud that our Prime Minister has taken a stand on behalf of Canada, and the sooner we get on with that, the better.

However, I want to say that I saw something of a project which Canada, our government and my department of Agriculture, are sponsoring in Tanzania. We are showing young Africans how to become self-sufficient in food. Sure, it costs us some money, but these are people who need the technology and scientific information. I realize that we have need for some of these things in our own country. But we will be funding outside of the city of Arusha, $6 million for an agricultural scientific laboratory. We are spending millions of dollars showing these young farmers how to produce wheat in their own country. They are being shown how to become self-sufficient. They are being taught how to work with their hands, rather than holding out their hands, asking someone to feed them. These young Africans were proud and happy to learn how to be productive.

● (1530)

Who was working with them? Farmers, husband and wife teams from Alberta, Saskatchewan and Manitoba were living and working in the same environment with these young Africans. Some of these people originally signed two or three-year contracts. Some have now been there over five years, going on six. They say they must stay longer to ensure that these young people grasp the technology to be able to operate the huge diesel tractors, grain swathers and cultivators that are being used. Most of this equipment, although not all, comes from Canada. It is provided by Canadian taxpayers' dollars.

Many times we hear criticisms about some of the world projects to assist people, in which we are involved. It is wonderful to see these people become self-sufficient. Dignity is being provided to these young people. The President of Tanzania was very proud of the effort of this government working in close co-operation with his government, doing some of those things talked about earlier by members of this House.

More of this kind of action is necessary. There is urgent need to assist many millions of people in that and other parts of the world now. We cannot haggle and argue about such things as the economy, balanced budgets, and so on. I for one could not live with my conscience if I pitted the economy of one country against the death of another.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

* * *

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

The House resumed, from Friday, June 6, consideration of the motion of Mr. Pepin that Bill S-6, to amend the Two-Price Wheat Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I appreciate the opportunity of being able to speak on this bill regarding the Two-Price Wheat Act. There are a number of points I want to make because, like everything else in politics, there are a number of myths that float around this statute, as with everything else that occurs here.

First, it is interesting to note that the only reason we are debating this bill is to protect the government retroactively from a lawsuit that it will face if the act is not passed. It is interesting that the Liberal Government of Canada let it ride for all these many years and now, in order to save its own skin, is retroactively passing a bill which will save several hundred millions of dollars. In effect it is another case of a government having its people bear the cost of a statute that it itself passed and took the benefit of, for several years.

There is another myth that often gets play in the media. I believe most consumers in the nation think that this statute is on the books in order to subsidize producers. Some ministers have indicated that it is not a producer subsidy. It is a consumer subsidy. The point has to be made that the government, as part of an over-all cheap food policy, has subsidized the consumers of bread in this nation to the extent of some $396 million.

It is true that originally there was a floor price for the producers of $3.25. It is true that that floor price was increased on a couple of occasions and now sits at $5. The point that needs to be made about that is that the floor price was always increased behind the actual world price for grain. It has been a sham. The government has been taking the benefit of an alleged increase in the floor price when, in fact, the world price has been much higher.

The maximum price paid by the millers of bread grain was to be $5. The result of that was that if the world price of grain were more than $3.25, the taxpayers of Canada, regardless of whether they ate bread, pasta, or whatever, would be paying a subsidy to those who ate bread. At that price the maximum subsidy by the taxpayers would be $1.75 a bushel.

When and if—and in fact it did—the world price of grain goes above $5 a bushel, the consumers of bread are still being subsidized, but no longer is that payment being made by the taxpayers of Canada generally. That payment is being made by the farmers of this country, and basically those are the

farmers of western Canada. There are some 150,000 active producers. How could we ever have put a bill through this House that would force 150,000 producers of bread wheat in Canada to subsidize the consumers of bread across the entire nation? It is absurd. I am amazed that the government would have put in such a provision in the first place.

The farmers are probably losing $1 million a week at this point as a result of the world price of bread grain being much above $5. They only receive the maximum $5. That point is not lost in the west.

This is another example of western raw resources being sold in the rest of Canada at much less than world prices. In a few minutes I will speak about oil being another example. Never in the entire history of this land have the farmers of the west paid less than full world price for combines, tractors and trucks. Never have they paid less than world prices for asbestos, or the electricity that goes into the manufacture of equipment, yet there seems to be this tendency to freeze the price of goods coming out of the west.

It is so inherently unfair that I must say, from the depths of my heart, that it is that feeling of unfairness that is going to take the west out of this country. In that vein, I must say that one of my own riding executive members has left my executive in order to join the western separatist party. Advertisements are in the western media calling for people to join. Over 200 memberships in the western separatist party have been sold in the Lethbridge-Foothills constituency. It is a very serious matter. I know those on the other side may laugh from time to time, but western separatism is in the same boat today that the PQ was in ten to 11 years ago. It hardly seems to be real Canadian justice.

The government proposed that under its new policy effective August 1, 1980, the minimum price will be $5 and the maximum price will be $7. It is no longer to be done by statute, but by regulation under the Canadian Wheat Board Act. Why is there a delay until August 1? Why not immediately? During the election the government led the farmers to believe it would be done instantaneously.

Why August 1? We have some eight to ten weeks to go. It is costing the western farmers over $1 million a week, which will amount to $8 million to $10 million. The western farmers are faced with an enormous drought that is taking on truly catastrophic proportions in Manitoba and Saskatchewan. The federal government's response is to give support to the extent of $5 million, which is but a drop in the budget. The amount that western farmers are losing on this subsidy alone will be $8 million to $10 million. So the government in giving $5 million is still not doing anything significant. Another hon. member pointed out to me a few moments ago that we spent, as a nation, between $4 million and $5 million on a one-day Canada Day celebration. Surely that cannot be any more important than the needs of more than 100,000 producers in Manitoba and Saskatchewan who are really hurting under this drought.

• (1540)

I should also like to know why this bill was brought in through the Senate. I know that the minister who is formally in charge of the Wheat Board comes from the Senate, but we do have a minister sitting in this House who purports to have responsibility, and it seems to me the bill should have been introduced in the House of Commons because it is the members of the House of Commons who are elected by their constituents and who must respond to their needs. Neither is it lost on me that the minister who is supposed to be responsible for the Wheat Board never even took the time to make the major speech when the bill was brought forward. It was the parliamentary secretary who did that.

Under the new policy, the floor price would be five dollars. That simply is not good enough. If there is to be a floor price at all, or a maximum price at all, it needs to be tied to the cost of production. The hard reality the western producer faces today is that the cost of production is rising enormously, and the most significant increase among the elements which make up his cost of production is interest on operating loans. We know that this high interest cost is simply the result of the federal Liberal government taking this nation from the point of balanced budgets to a national deficit of between $70 billion and $80 billion, and a yearly deficit of $14 billion.

We all know that the amount paid today in interest is greater than the entire federal budget of less than ten years ago. We know, too, that of every dollar paid in taxes, some 20 to 25 cents go to service debt without reducing the principal of that debt one bit. Meanwhile, the government is out borrowing more billions of dollars.

We recently passed a bill under a form of closure providing the government with a $12 billion borrowing authority. When the government is out in the market place competing with producers for money, with no limit on the amount of interest it can pay, as compared with a farming or business unit which has to tie interest payments to the ultimate price of its products, the ordinary farmer cannot compete. Of course the government gets the money, but it hurts the farmer. As a result, the farmer is paying much more by way of interest than he can really handle, and this should be factored into the flexibility for which we are asking should the floor price be indexed. It is not lost on the farmers of western Canada that the price of grain has to go up some 40 cents before the price of a loaf of bread goes up one penny.

There is a further point I should like to make. Surely the government could not have intended this to happen, but its policies on meat, on wheat, and on oil, have genuinely hurt the west for the benefit of central Canada. You know, Mr. Speaker, from your experience in the House, what happened to beef producers as a result of the LIFT program brought in by an all-knowing Liberal government believing it could advise farmers on what to produce, and paying them $10 to take their land out of grain production and put it into grass. The effect was to increase the beef herd enormously; we therefore had calves coming out of our ears and the price, naturally, fell. What did the government do? Nothing? No, that is not fair. It did do

something. It opened up the import market so that millions of tons of beef could come in from Australia and New Zealand further depressing prices. Hundreds and hundreds of beef producers went out of business. How can it be said that in these circumstances the government was responding to the needs of the west?

You will recall, Mr. Speaker, that the former minister of transport, the hon. member for Vegreville (Mr. Mazankowski), completed a very complicated negotiation on the Prince Rupert grain terminal. This agreement called for negotiation with the grain producers, the grain producers co-operative organizations, with railway companies, terminal elevator companies and others. The unions were involved, as were arrangements for international shipping. All this was put to bed in an agreement. But when the government changed, within a matter of days the Minister of Transport (Mr. Pepin) caused great uncertainty with regard to that agreement all because of a mere $12 million.

Mr. Pepin: You should consult with your own colleague.

Mr. Thacker: What is not lost in the west, perhaps because they are farmers and have time in the winter to read, is that on practically the same day as the minister was reneging on that agreement, the Minister of National Defence (Mr. Lamontagne) was awarding a $4 billion contract the benefits of which were divided almost totally and equally between Ontario and Quebec. The implications are not lost on the people in the west where these things mean a great deal to us.

Mr. Pepin: I will invite you to the opening.

Mr. Thacker: I could go into the history of oil, and perhaps I should because of the presence of the minister of energy in the House today. On energy alone, the west has paid a huge price since 1974.

Mr. Lalonde: Not Manitoba.

Mr. Thacker: It has done that by agreement, by being very generous as Albertans are in their capacity as Canadians.

Mr. Lalonde: You are talking of Alberta.

Mr. Thacker: Well, in terms of oil, if the minister of energy insists, 80 per cent of the benefit really does come from Alberta and something less from Saskatchewan. But look at the figures. For Alberta, at last count it was $17 billion—it would be much closer to $18 billion now—and the Saskatchewan figure was over $3 billion; it is probably $3.5 billion now. Never in the history of this nation has one region been called upon to subsidize the rest to such an extent. It was done by agreement, an agreement into which the west entered. But what does Alberta receive for this unprecedented contribution? It certainly has not received any appreciation. Every article I read contains criticism. Whenever the minister of energy makes a speech, does he ever say to the people of Alberta; "You have been generous and we appreciate your contribution, and we are going to ask you for more?"

Mr. Lalonde: Yes. Read the speeches.

Mr. Thacker: I have never seen it in a speech. It has always been talk about greed and selfishness.

Mr. Lalonde: I rise on a point of order—perhaps I should raise the matter as a question of privilege. I am sure the hon. member would not wish to mislead the people of this country by making a completely false and erroneous statement—not the first he has made in his speech up to now. But I refer him to my repeated speeches; they are on record; he has copies in his office. In speech after speech I have stated that Alberta has made a tremendous contribution to this country and that we should be thankful for the contribution made by the people of Alberta and by the oil industry to the development of this country. I also pointed out, however, that Canadian taxpayers generally and the Government of Canada—

● (1550)

Mr. Deputy Speaker: Order, please. The hon. member for Lethbridge-Foothills (Mr. Thacker).

Mr. Thacker: Mr. Speaker, I am delighted that the Minister of Energy, Mines and Resources (Mr. Lalonde) should stand in this House and tell the people of Alberta how generous they have been, because that is not the message that is getting through to the people of Alberta, and even in this—

An hon. Member: You are distorting it.

Mr. Lalonde: You are misleading.

Mr. Deputy Speaker: Order, please.

Mr. Thacker: Perhaps the problem lies with what the minister goes on to say in those speeches, because in those speeches he always goes on to tie in the fact that section 109 of the constitution is not going to be honoured in this respect, and to leave the impression that the people of Alberta are somehow being unreasonable in wanting to tie their price to 85 per cent of the Chicago price.

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

Mr. Deputy Speaker: If the minister is rising on a question of privilege, I hope it is more valid than the last one.

Mr. Lalonde: Mr. Speaker, the hon. member again is committing a serious breach, I submit, of the rules of this House by accusing another member of breaching the constitution. I have stated that this government was going to respect every aspect of the BNA Act—

Mr. Deputy Speaker: Order, please. With all due respect to the hon. minister, it appears to be a point of debate and hardly a matter of parliamentary privilege.

Some hon. Members: Hear, hear!

Mr. Thacker: Thank you, Mr. Speaker. I appreciate that this is a sensitive point for the Minister of Energy, Mines and Resources because his appointment as minister has caused great distress throughout the west.

This brings me to another point, however. This country operates under an accepted order of law, and that order of law is the British North America Act, our constitution. Our constitution provides that resources belong to the provinces. Ontario confirmed that point approximately 50 years ago by taking that section to the Supreme Court of Canada.

We in the west have always paid the world price for Ontario's resources because that is what the constitution says. That is what the Supreme Court of Canada says. Now with respect to oil they seem to be backing down. I say to the Minister of Energy, Mines and Resources that he has a constitutional duty to uphold the constitution. He should be defending Alberta and its ownership of that resource, and not attacking it.

Both Germany and Japan went immediately to world prices and, of course, they have the strongest world economies. We could do the same.

In terms of history, hon. members will recall that in 1905 when Alberta was created it was given all the powers of a province except control of its natural resources. The reason seemed to be a central Liberal government thinking that colonialists could not truly run their own affairs, an attitude which this Liberal government still reflects.

Alberta was governed by a Liberal provincial government from 1905 to 1921, and throughout that period it pressed the central Liberal government for control of resources. The central government refused. In 1921 the United Farmers of Alberta were elected as the provincial government, and they continued to press for return of the resources. The result was that in 1930 we achieved a transfer agreement, and we took control of resources. However, interestingly enough, the issue was so difficult and so heated that at the 1924 annual convention of the UFA party a resolution providing that Alberta separate from the union was debated. This shows the depth of feeling, and I must say in all good faith that Albertans have that same capacity and that same depth of feeling about their energy resources today.

We then entered into the thirties and the horrible depression. It took a decade or more out of the lives of people like my parents and the generation just before mine. The people of western Canada did not have the support of the central government, and they made necessary and hard adjustments to their lives. They abandoned their homesteads. Three out of every four had to leave their homesteads. They lost their homes and their dreams. As a result, in 1935 the Social Credit Party came to power. They were a government which tried solutions. They were again, however, frustrated by the central government. There were some ten statutes or amendments which were struck down by the federal power of disallowance or by the Supreme Court of Canada.

The point is that it was a government which was trying to address the problems of people who were suffering and starving on their lands and having to abandon their farms. The BNA Act in that case was used against the people of Alberta when they were trying to get their electricity and their manufactured goods from central Canada at less than world price.

An hon. Member: Talk about the bill.

Mr. Lalonde: The bill is about wheat.

Mr. Thacker: The Minister of Energy, Mines and Resources really seems upset today, and that is very interesting. He is usually pretty cool, but I think we have hit a soft spot with him.

Mr. Lalonde: What about the bill?

Mr. Thacker: What I am explaining with regard to this Two-Price Wheat Act is how it ties in with a broad spectrum of actions by the central government which is leading to a tremendous potential for separation in western Canada. It is important that these points be made.

It is not that the west has not tried. In 1937 William Aberhart as premier of Alberta presented "The Case for Alberta". That brief covered our concerns about freight rates, tariff rates, transportation and marketing of western products. There was no meaningful response.

This bill could have been discussed in 1937. We have been saying exactly the same things. There has been no change since.

During the forties when we were trying to develop the oil industry, central Canada had an opportunity to invest. It refused. Hon. members should listen to Senator Manning. He gives a very emotional speech about his personal efforts to raise money in central Canada to develop the oil industry, but none was available. It was all kept for central Canada. That is the only reason that the oil industry is so heavily owned now by Americans, Dutch, and British. It is ironic that central Canadians would not put their money into their own country and that people from the United Kingdom, the United States and Holland did. Now that they own the business, central Canada is crying in its beer.

Time again passed. In 1969, 22 years after Aberhart had presented "The Case for Alberta", another premier, Premier Strom, came here and dealt again with exactly the same things: freight rates, tariff inequities, transportation problems and marketing problems. The result was exactly the same—nothing.

Then we come to 1973. At the Western Economic Opportunity Conference in Calgary the same issues again were discussed. The Prime Minister (Mr. Trudeau) came with solemn promises of a meaningful response. The results were simply platitudes, and at the end of that conference the premier of Alberta, Premier Lougheed, was moved to say, and I quote:

> Obviously we failed to get through to you the spirit and potential of western Canada. We would have traded all the specific policies you announced here just for that understanding alone.

That is what I am saying today on the Two-Price Wheat Act. It is again a reflection of the majority being elected from central Canada and, even giving them the very best of good faith, they did not genuinely understand what we in the west were and are saying.

I could go on and talk more about what has happened with respect to OPEC prices, but getting back to this bill I hope the minister will read this speech. I hope he will address his mind to the points raised, because I think if he were to address his mind to the indexation of the $5 floor price and if he were to address his mind to making it retroactive from even June 1 rather than August 1, that would go a long way toward being a sign of good faith by this big institution in Ottawa toward the small producers of western Canada.

I believe I can call it four o'clock.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 4 p.m., the House will proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions, public bills and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Collenette: Mr. Speaker, you will remember that last Friday I informed the House that it would be my intention at four o'clock today to seek unanimous consent to proceed with all stages of a number of private bills to effect name changes in constituencies. This will be done very quickly and should not impinge too much on the time of the hon. member for Wetaskiwin (Mr. Schellenberger) with his motion, and I ask leave of the House to proceed in that manner with all those bills, including the bill which was introduced today, by leave, in the name of the hon. member for Laprairie (Mr. Deniger).

Mr. Baker (Nepean-Carleton): Mr. Speaker, there have been discussions, and we are prepared to consent.

Mr. Knowles: That is correct, Mr. Speaker. We too are party to the agreement. I hope it will be possible to give second reading to several bills on one motion to save a little more time that way as well.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

PASSAGE OF BILLS C-268, C-402, C-488, C-529, C-565, C-599, C-600, C-601, C-602, C-604, C-605, C-606, C-608 AND C-609

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council) moved that Bills C-268, C-402, C-488, C-529, C-565, C-599, C-600, C-601, C-602, C-604, C-605, C-606, C-608, and C-609, to change the names of electoral districts, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bills read the second time, considered in Committee of the Whole, reported, read the third time and passed.

● (1600)

PRIVATE MEMBERS' NOTICES OF MOTIONS

[*English*]

GRAIN

PRODUCTION COSTS SUGGESTED AS BASIS FOR FLOOR PRICES

Mr. Stan Schellenberger (Wetaskiwin) moved:

That, in the opinion of this House, the government should consider the advisability of setting floor prices related to costs of production for cereal and oilseed crops one month before planting in order that farmers may be provided adequate returns to ensure sufficient production to meet Canada's domestic and export needs.

He said: Mr. Speaker, with the spirit of co-operation in the House today, I was almost willing to forgo my speech in anticipation of acceptance of this motion; we have been doing so well today.

Mr. Knowles: Carried.

Mr. Schellenberger: Also I am most pleased that the motion has caused both the Minister of Agriculture (Mr. Whelan) and the minister responsible for the Canadian Wheat Board to be present today. I am very pleased, because I know it is an important motion in which both of these ministers are very interested. As I speak briefly and take them through the statistical and logical reasons why the setting of an initial price should have some base rather than the Wheat Board pool account, I hope they will agree this is a reasonable motion and something the Standing Committee on Agriculture should study very thoroughly.

At the present time each year the minister responsible for the Wheat Board sets an initial price. That initial price is the price which farmers receive for deliveries to the elevator. I am sure that price is based upon last year's pooling account and not upon any other reason, particularly the most important one, which is the cost of production a farmer must face in order to produce wheat.

Let us have a look at the statistics. I hope the House will bear with me because often statistics are not the most pleasurable in speeches, but they are very important to this motion. Farm input costs have grown much faster than the consumer price index. In 1979 the farm input price index was 12.5 per cent and the consumer price index was 9 per cent. If we look back at the 1960s, both of these indexes were very similar. They both rose at rates of about 3 per cent per year. But that changed very rapidly in the 1970s.

If we look at 1979 over 1978, fertilizer costs have gone up 18 per cent, machinery costs up 14 per cent, labour up 7.3 per cent, and since 1971 petroleum has gone up 100 per cent. What has really happened? From 1971 to 1979 the consumer price index rose 90 per cent, but the farm price index has risen 130 per cent. This is a tremendous difference.

If we look again at the statistics I quoted in relation to 1979 over 1978, between 1971 and 1979 fertilizer prices have risen

150 per cent, machinery 195 per cent, farm labour 140 per cent, pesticides 176 per cent, and diesel fuel 130 per cent. All those were much greater than the consumer price index of 90 per cent on which we based most of our calculations for other things in the consumer economy.

I did some calculations. As we look at the basis for increases in labour contracts, pensions, and family allowances, we realize they are all based upon the consumer price index. That generally ties the dollar value to the 1961 or 1971 level. In our calculations we used 1961 as a base year and indexed that at 100. Then we deflated the actual prices for barley, wheat, hogs and cattle back to the year 1930, and inflated forward to the year 1980. We used the base of 100 for the costs. If we deflate it and go backwards, we find in 1930 a bushel of barley, which was worth 80 cents in 1961, based on 100 would have been worth $1.42 at that time, even though the actual price was only 59 cents. If we carry that ahead to 1980, we find for the same bushel of barley the Wheat Board is now paying $1.71 at the farm gate, or $2.57 at Thunder Bay and that the actual value based on 1961 is only 63 cents. We can make the same calculation with respect to wheat, hogs and beef cattle.

In 1979 the actual price for wheat at Thunder Bay was $6.09, but based upon a 1961 index of 100 the actual price would be only $1.48; for hogs the actual price in 1979 was $64.25, but based upon the 1961 index it would be $21.45; for beef cattle the actual price was $78.38, but on that basis it would be $28.82.

● (1610)

So what does this show us? It shows us that the only way farmers have been able to exist over the past number of years—because the actual price of grain has not risen to any extent, one year it is up, the next year it is lower than 1960 prices—is through enlarging their farming operations and increasing the volume of production and the use of new technology. So, as we do with everything else such as indexing contracts for labour unions, indexing family allowances and indexing our pensions, we do nothing when we establish the initial price for wheat, barley and rapeseed for farmers so far as indexing that price is concerned, or basing it on the cost of production.

As we look at the statistics, we find that the number of farms each year decreases by 4 per cent, and the large decrease in numbers had been in effect before that period of time, and the average age of farmers is increasing rapidly. The Minister of Agriculture has brought in many programs which he hopes will keep young farmers on the farms or which will entice them to become involved in farming. But it is literally impossible for that to happen as land prices continue to go up, as input costs continue to rise and the level of price that the farmer receives remains the same year after year. So more and more farmers have increasingly large debt loads and their average age is increasing.

Why should we accept a motion such as this under which we base the initial price on the cost of production? First, it would provide a reasonable price for the labour of farmers, because there would be some reasonable base on which we would establish grain prices. Second, it would mean a stronger agricultural economy. Look at what has happened with the drought situation in Manitoba. That province expects to lose $500 million this year. So by establishing a reasonable price based on the cost of production, we would have a stronger agricultural economy.

Farmers would then be able to look at the floor price and ask, "Can I produce grain on my land at that price?" If they could do so for wheat, they would produce it, if they could not for barley, they would not produce barley. That is an advantage for the Canadian Wheat Board because the Canadian Wheat Board should have knowledge of which grain they can sell in 1981, for example. Therefore, in establishing a floor price, let us use this crop year as an example.

We have oversold barley in export markets, and there are two reasons for that. The first is that farmers are not delivering because the initial price is too low, and the other is that there was a feeling in western Canada that they should grow more oilseeds because its initial price was substantially higher and the cash in hand was generally more than for growing barley and wheat. If the Wheat Board knew they would have large sales for feed grains in the international market, they could raise the support or the floor price a little higher than they would, say, for oilseeds. That would then be an incentive for farmers to plant a certain percentage more of their lands to that crop rather than another crop.

This method is used by other countries in the world, and the one closest to us is the United States. They have a program that has been in place for many years, and it is under their food and agricultural act. They call it the target price system. On August 15 of the previous year they announced the support or the floor prices for agricultural commodities in the United States. They used to base the target price on a system they called parity, which was the same as many of our stabilization programs where an average for five years is taken to establish the price. But they have changed that now. They base their floor price now on the cost of production, and that is of tremendous advantage to the U.S. farmers. Also as I have suggested the Wheat Board should do here in Canada, they encourage farmers to produce certain crops or discourage them from producing other crops. We could use that as an example here for our Canadian Wheat Board.

What is the target price in the United States for barley and wheat? For barley it is $2.55 a bushel. Our producers are getting $1.71 a bushel today, and if we look at the actual cost of production in Canada it is over $2.55 a bushel. So farmers are really producing at about 90 cents a bushel below the cost of production. Most farmers do not consider the price of their labour and the price of their land, because in many instances they own the land, and often they do not consider the great advantage of advanced technology. So they are hanging on at this price of $1.71 a bushel. The price for wheat is $3.63 per bushel, while in Canada we are paying to the farmer, depending on the grade, between $3.50 and $4 a bushel.

Here is a specific example of a country which has used a system for a long time and based the price they pay to farmers on the cost of production, given him that price before he starts to plant the crop so that he can make the proper decision, not only for himself but also to meet the international demand for a commodity which we have the wonderful ability to produce in excess of our domestic demands.

The use of this basis for the cost production is not new in Canadian programs. We have it in our stabilization act which was amended a few years ago. It was established in our Western Grain Stabilization Act. When Alberta brought in its stop loss program a few months ago for hogs, it established this basis in the program. When producers and the government of Alberta went over to Japan to sell hogs because there was a surplus, the Japanese government was convinced to buy hogs based on the cost of production plus a reasonable profit. So even though at that time the price of hogs in Alberta was greater than the one in the contract with Japan, many farmers grabbed the contract because they knew that in the long run they would be better off, and they signed contracts on that basis.

This is not a new proposal. It is one that has been tried in other countries, one that we have put in our programs here in Canada and one that we could easily adopt by basing the initial price which the Wheat Board announces not on some figures that are pulled out of the hat based on a pool account, but rather based on the cost of production which statisticians are now gathering for us under the Western Grain Stabilization Act.

I will conclude my remarks on this motion by saying that it is important to western farmers that we do not continue to allow them to produce almost every commodity that they produce at less than the cost of production. They cannot continue to do that for much longer. They must get adequate prices, otherwise we will have continued consolidation and upward mobility by large corporations buying land and processing goods so that they can make profits here and there through the system. So I commend this motion to the House of Commons and I hope hon. members will see fit to send it to the Standing Committee on Agriculture.

● (1620)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to say a few words in support of the resolution before the House, and to commend the hon. member for Wetaskiwin (Mr. Schellenberger) for introducing this idea for consideration. I want to mention five or six different points which I think members should take note of and perhaps reflect upon.

The first is the point he ended off with regarding farmers and their cost of production, pointing out that so many of their commodities are sold at less than the cost of production. He talked about the price of barley and what has happened to that in the last 40 or so years, as I recall.

The point I want to start off with is the whole idea of planning. I think all of us like to plan our lives as much as we can, and in politics that is often very difficult. Whether it is in business or working in a plant, no matter what, people need and want to plan their lives in terms of their families, the houses they want to build, the cars they want to buy, and all this is based on the incomes they receive from their jobs—their remuneration. This is one thing that many farmers cannot do. Many farmers do not know in the spring what they are going to receive in the fall for the grain they have planted. The resolution before the House today is one that tries to rectify that situation so farmers can do a bit of planning.

I remember my 18 years on a farm as a child, growing up. In the spring we had no idea what we could do in the fall, what we could purchase or how much money there would be available, because all this depended on the weather and international prices for various commodities. This depended on factors that were totally beyond the control of the individual farmer.

That is a situation people in other occupations will not tolerate. I think the time for farmers tolerating that situation has ended as well. I want to suggest one thing to the hon. member who moved this resolution today, and that is that we have floor prices. I think what should go hand in hand with that, unless we run the risk of tremendous over-supply of products, is a system of orderly marketing, with marketing boards and marketing agencies. The hon. member smiles, but I know he supports the concept of orderly marketing for some commodities, but perhaps not for others.

In this country we have five national marketing boards for products; I think of industrial milk, turkeys, broilers, and I think of CEMA. I said there were perhaps five, but maybe there are only four. There are literally dozens of marketing boards for commodities which come under provincial regulations. I think we have to combine a marketing agency with planned and orderly marketing, along with minimum prices, because if you have floor prices based on the cost of production, with a depression of prices elsewhere in the world you can easily understand that there might be an over-supply of certain commodities in this country. We have to combine this with as many import controls as possible through GATT to protect our Canadian producers. For proper import production we again need national marketing on a national level. I want to suggest that we should have a combination of minimum prices and orderly marketing.

One need only think of beef, for example, to know that if we raise the price of beef in this country through subsidies and guarantees, which I think we need, we may end up with an over-supply, unless we have some kind of marketing agency so we can plan production to meet consumption in this country. I can say as a person who comes from a riding where there are literally hundreds of cow-calf producers, I am informed that the overwhelming majority want a marketing agency or board for their product.

The second thing I wanted to mention was the need in our country now for the promotion of international price agreements, or international commodity agreements. I think that is what we should be striving for around the world today.

One of the problems we have in respect of wheat today is the result of the old international wheat agreement falling apart a

number of years ago. We should have an international agreement under which consuming and producing countries sit down together to hammer out an agreement that is fair to both the producer and the consumer.

We do not have an agreement in respect of oil. What we have is a cartel. The OPEC nations have formed a cartel. The producers get together and fix a price. I am not talking about a cartel, I am talking about commodity agreements, as a result of the producers and consumers sitting down negotiating a price that is fair to all, based on the cost of production.

Mr. Whelan: You are reading one of Whelan's old speeches.

Mr. Nystrom: The minister suggests I am reading one of his old speeches.

Mr. Knowles: There are lots of them around.

Mr. Nystrom: I hope I am not that boring to the House.

Mr. Whelan: You are doing right well.

Mr. Nystrom: I remember going to Africa four years ago to a United Nations conference on trade and development, the whole purpose of which was to try to hammer out international commodity agreements, whether they be in respect of bananas, tin, cotton, food products or what have you. If we had international commodity agreements we might lose a bit on some commodities, yet on some we would gain a bit, but this would be fair to all; it would be fair to the entire world. I know the member for Wetaskiwin agrees with me in that regard.

I put a question today to the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) about the price of sugar which has gone up by 200 per cent to 300 per cent in a few months. That price has not gone up as a result of a drastic shortage of sugar, but because of problems of supply, supply being curtailed a bit, yet not to the point there was a shortage. As a result speculators moved in. This is a commodity on the open market with no planning, no agreement, nothing at all. Speculators moved in to the futures market and drove the price of sugar sky high. It is the ordinary consumer who suffers, and I maintain the same thing is true with other commodities as well.

In the absence of international commodity agreements we should be looking at two-price systems for a number of commodities, so at least the domestic Canadian price would be based on a cost of production formula. A few minutes ago we were discussing two-price wheat. One of the things I wanted to say then was that I think the Canadian price for wheat we consume in the bread we eat, which represents a tiny minority of the wheat we produce, should be based on the cost of production. In this way the farmer would get back what he puts into the production, plus a decent salary for his family to survive on.

The third point I want to mention is one that has been referred to by the hon. member for Wetaskiwin, the whole matter of input costs. I do not have to repeat much of what he has said because he has given us figures showing that the farm price index has gone up much more rapidly than the consumer price index. The amount a farmer is paying for farm machinery, for fuel, for fertilizers and for everything to produce a bushel of wheat, has really skyrocketed, while the price of the bushel of wheat or, for that matter, the price of a hog, livestock or other commodity, in many cases, has not really gone up at all, or very little in the last few years. As a result we in this country, the consumers, have received the benefit recently of fairly cheap food. I know that is a difficult thing to say because food prices went up 12 per cent this year, but we must keep this in perspective.

Food prices in other parts of the world are much higher than in Canada, with the exception of the United States. We and the people in the United States are very fortunate that we have, in comparison to our incomes, the lowest food prices in the world. All one has to do is go to Europe, Japan, or any country in the Third World, comparing the incomes with what the people are paying for food, to find that the proportion spent on food is much greater than is the case in Canada and the United States.

I am not saying we should experience a tremendous increase in the price of food. All I am saying is that if, by giving the farmer a fair deal, making sure he gets back his cost of production, this means a minor increase in the price of food, then that is a worth-while investment for each and every one of us.

The fourth point I want to make is that where the increase in the price of food is causing hardships, and where it is causing malnutrition—malnutrition does exist among Canadians in some parts of this country today, and I can give you many statistics about calcium deficiency, protein deficiency and deficiencies in many other basic vitamins and minerals—we as a public have an obligation to bring in a nutrition program under which we susidize some basic foods such as milk and bread.

I want to remind the House again that recently we had subsidies on milk and bread, but the Minister of Agriculture and other ministers decided in their wisdom to remove those subsidies. I do not think that was very wise. Perhaps the minister will tell us today why he has removed the subsidies on basic foods like bread and milk. I should like to hear him quote from some of his speeches on this topic because I do not think he is very proud of what the government has done. We could have a school milk program which would take care of some of the basic nutritional needs of the children of this country.

● (1630)

When we speak of a cost of production formula and a basic floor price, Mr. Speaker, we are only stating something that is a fact for many other people in our society. Many pension plans are now indexed to the cost of living—our salaries as parliamentarians are indexed to the cost of living, and most trade unions have a COLA clause in their contracts to increase salaries according to the cost of living. I think the same thing should be done for farmers. Their income ought to be increased according to their cost of living, which is the cost of

production. That is a basic philosophy of equity with which I think everyone in this House could agree.

If it should create hardships in some areas, then as a collective society we should be willing to spend as much as $200 or $300 million perhaps to subsidize two or three basic foods in order to provide Canadians with proper nutrition. That would be a tremendous investment. One can cite study after study to endorse the proposition that good food means good health. The Food Prices Review Board pointed out that the need for 40 per cent of our hospital beds could be tied in to improper diet and improper nutrition. It would be a worthwhile investment to spend a few hundred million dollars to educate people on the importance of proper nutrition and to subsidize production of some of the basic foods.

It might be a good idea to impose a higher tax on some junk foods as a means of persuading people not to drink Coca Cola or some of the heavily salted chips or heavily sugared cereals. These are abundant in the marketplace and widely advertised in magazines, and their appeal is directed mainly to children. This makes me, as the parent of a six-year old, very angry. When children go to a store they want to pick up a breakfast cereal which is almost 60 per cent sugar.

I think it would be an excellent idea to tax these junk foods very heavily. I am in favour of heavy taxes on tobacco and alcohol. A tax on junk food could provide a hefty subsidy for milk, bread, and one or two other basic foods. It is the pocketbook that motivates most people, and in this way they could be motivated to purchase the basic foods instead of cokes, salted chips, and sugared breakfast cereals.

Mr. Knowles: Like my arrowroot biscuits!

Mr. Nystrom: Yes, like my friend's arrowroot biscuits.

These are a few ideas that I think the House should consider, Mr. Speaker, that would help farmers and consumers and protect the health of Canadians. The consumer and the farmer are not enemies; they are not contradictions. I think we can help both and at the same time build a nation that is physically healthy and more productive. People would pay more taxes. The cost of unemployment insurance benefits, welfare and medicare would be less, so they would make a better contribution to society.

If we were to ensure sufficient income for our farmers it would be one way to entice young people back to the land. This would in turn ensure a viable rural community with towns and villages to serve it. I think all of that can be done through proper planning.

In ridings such as my own or that of the hon. member for Wetaskiwin, farmhouse after farmhouse stands abandoned. There are many cases like those he told me about, where a farmer may have two or three or four quarters of land and old equipment that needs replacing. But with such a small holding there is no way he can earn enough to buy new equipment. What usually happens is that he sells out to a bigger farmer who can afford to purchase larger equipment. Eventually he too sells out to an even larger farmer. The time comes, then, when there are only a few farmers in the neighbourhood and they are not enough to support a farm machinery dealer, a general store or co-op, so they start consolidationg. The result is fewer communities, fewer services, fewer people, and we find that control rests with those few people.

What is the logical consequence of all this? Perhaps our rural communities will become like those in Colorado where a few large farms take in townships, or perhaps a few large corporations will eventually control farming as they do the farm machinery business, the auto business, the oil business and many others. That is neither healthy nor desirable in terms of giving people meaningful jobs and a decent life in a rural society.

Those are the things that I want to say, Mr. Speaker. I hope hon. members will think about some of them and that we can make substantial changes to our society and our lifestyle and reflect on where we are going. These alternatives would not cost the government any more money or build up larger deficits. They would be a real investment in a better and more decent way of life for all Canadians.

Some hon. Members: Hear, hear!

Mr. Jim Peterson (Willowdale): Mr. Speaker, I am happy to speak on this motion which deals with setting a floor price for cereal and other oil seed crops. This floor price will be based on the cost of production. The hon. member for Wetaskiwin (Mr. Schellenberger) indicated that his objective is to ensure that Canada has enough of these crops to meet its domestic needs first of all, and secondly, enough to meet our export obligations.

I do not think any member of the House would disagree with these objectives. We want to have sufficient production and we want to ensure that our western farmers remain viable and healthy. We listened with interest when he outlined a number of problems. One which he outlined very dramatically, and which the hon. member for Yorkton-Melville (Mr. Nystrom) also referred to, is the difficulty of the cost-price squeeze which affects all farmers in Canada. So there is no question about the objectives and no question about what he wanted to achieve for farmers in Canada.

I should like to ask why this should be limited to wheat farmers and oil seed farmers, however. Why should it not be extended to everyone in the farming community? The principle is established.

As practical politicians we have to use the means at our disposal to deal with this very difficult and important topic. We might consider the status of the grain industry in Canada at the present time, for instance. Grain ranks third in production amongst our industries today. We stand second to the United States in terms of international grain trade and, of course, the United States has more arable land than we do. That does not mean that in the decades ahead we should not make every effort to create more arable land in Canada. A multitude of problems face the world in terms of agriculture. And, as one of the most fertile countries in the world, we have a responsibility not only to help people at home but also in

other countries that have demonstrated they cannot produce enough foodstuffs to feed themselves.

This brings me to another point, Mr. Speaker. I think a major part of our foreign aid program should be aimed at helping Third World countries become self-sufficient in food production.

● (1640)

In many of our foreign aid projects we have in the past concentrated through CIDA on the giant dams and mega projects of an industrial nature. We are supporting now the United Nations Industrial Development Organization as one of our multilateral agencies which is aimed at industrializing the Third World. But is this really our first priority? Should this be the first priority when two-thirds of the people in this world do not get adequate food?

The hon. member for Yorkton-Melville has bemoaned the fact that children eat candy and drink coke here in Canada. I agree this is a problem. But there is a far greater problem which faces us as citizens in this world, and that is the number of people who are starving. So the great thrust of our program, along with the spirit which the hon. member has proposed in his bill is that of helping other nations with their food needs. Certainly exporting food is a good idea. But let us remember the adage of foreign aid: if you give a person a fish he will eat for a day. If you teach him how to fish, he will eat for a lifetime. That should be one of our fundamental premises when we come to deal with this aspect of helping to increase our exports.

What has happened in this motion I perceive is that we are setting a floor price. What will happen to the supply of these products when we set a floor price but do not set any type of marketing agency over the supply which will regulate it? Are we going to get into the quota problem? Do we want more and more government regulations, as the hon. member for Yorkton-Melville has indicated? Is that the intent of the hon. member who has proposed this bill? Are we going to need more and more instrumentality to deal with this type of problem? I am not sure exactly what he has in mind in that area.

We heard a suggestion today from a member opposite in which he praised a two-price system for wheat. In a debate on a previous bill this afternoon we heard another member opposite condemning the two-price system for wheat. We heard a strong condemnation of the two-price system for oil. We have heard a lot of talk about the areas which deal with whether Canadians will act for their own benefit in a mutually co-operative way. These are questions which are fundamental to our existence as a nation, to our existence as a country, Madam Speaker.

I do not want to prejudge the answer, but I believe we will all have to take a look at the community of interest we have as Canadians working together. Rather than concentrating on petty differences, we will have to take a spirit of open mindedness. Rather than focusing on the problems, why do we not look at the tremendous potential that we have as a nation, a nation blessed with the richest resources and with the most highly educated people, with evidence of human rights and freedoms,. and with good neighbours in most sections of the world? Why do we not take these great strengths, this potential that we have, and look on the bright side of things, rather than focusing on the petty and narrow differences which are separating us? That is why I disapprove.

In conclusion, let me add the philosophy of this motion. Perhaps setting a minimum price is one way to help the farmers. My parents are farmers. They had to flee Saskatchewan when the droughts of the depression wiped them out. My parents are now farmers here in Ontario. I am looking forward to the recess this weekend so that I can go to our farm and help get in our first crop of hay. We are fortunate that it is not a bad crop this year in Ontario. I wish the crops were as good every place in Canada.

In setting a floor price perhaps this motion does not take into consideration that pioneering philosophy, that free enterprise philosophy of a lot of our farmers. Our farmers are some of the most enterprising, hard working people that we have ever seen. These are the people, the farmers, who get up at any time of the night when a calf is being born. They anticipate it, they go out and work with the cow to make sure that the calf is born and is healthy. These are the people who are in the fields just as soon as the weather permits in the spring. These people invest in tiles and their drains so they can get into the fields sooner and get their crops off sooner. These are the people who are investing great amounts in the mechanics of farming, in the new technologies in order that they can be more productive farmers.

Sure, we can bemoan the fact that there are fewer and fewer farmers in the west today and that the average size of the farm in the west is now 800 acres. Maybe this does cause disruptions in the life of people in the west. Yes, people are fleeing from the farms. But this is one of the unfortunate realities that efficiency and modernization have brought upon us. With mechanization we have been able to produce more and more. I do not think any of us bemoan the fact that a farmer can produce a lot more now because he has a tractor than during the time when he had a horse and before that when he had to use very simple hand implements in order to till his land.

Yes, there is a disruption of life to the farmer and there is a consolidation of land. But do any of us bemoan the new technologies that have made the individual farmer more productive? It is this productivity, it is utilizing these modern techniques, it is being a free enterpriser and taking risks, and these are the things that farmers have always been prepared to do. They are some of the strongest people in society in terms of the free enterprise spirit. This does not mean that we want to ignore the aspect of the government co-operating with our farmers. But before we start to guarantee everything, before we look at a guaranteed minimum price based on cost for wheat and for oil seeds, before we start to extend that to hog producers, to dairy farmers, to cattle farmers, to all producers of agricultural products here in Canada, I think we have to look at the implications of this from a financial point of view

and from the basic philosophical point of view of what our agricultural people mean to us here in Canada.

For that reason I think that we should consider very seriously the spirit in which this motion has been presented to this House. We want to help our farmers. We want to do something to make sure that the drought we are experiencing in the west will not unduly impact on our agricultural producers. That is the way to do it. It is not to set in motion a bureaucracy whereby prices are always guaranteed unrelated to international realities.

The hon. member for Yorkton-Melville has talked about the need for international commodity prices. I wish it were as simple as saying to the Minister of Agriculture (Mr. Whelan), "Go and negotiate for us an international price that will be sustained." We have seen what has happened. For example, look at the international cocoa prices, the international oil prices, the international commodity prices on all the foodstuffs, and the coffee prices. For a time these agencies may have served, but they break down and become victims of their own bigness. They become cartels unto themselves which in many cases preclude other people from getting into the business.

In considering the aspects of this motion before us, let us consider the changes that have been made in Canada in agriculture over the past few years. I am speaking about the new technologies that have been brought about, the use of fertilizers, herbicides, new types of plants and new types of wheat. I am proud to say that the most rust resistant and hardiest brand of wheat was developed here in Canada by a Canadian. This is something of which we can be very proud.

Second is this trend toward consolidation. Consolidation may be harmful in some respects. It may require dramatic changes. It may drive people off the farms, but it is also efficient. There are two sides of the coin.

Third, let us look at what we have been doing for the wheat farmers in terms of the new institutions that we have in Canada. We have the Department of Agriculture, the Department of Transport, and the Department of Industry, Trade and Commerce. They are involved in production and transportation. We have the Canadian Grain Commission. We have the Canada Grains Council. We have the International Grains Institute. We have the Grain Transportation Co-Ordinator's office which is based in Winnipeg.

We have also undertaken to help farmers through new technologies of forecasting our agricultural needs. This goes into the aspect of what the hon. member for Yorkton-Melville was talking about in terms of what we do about planning. We have undertaken a means by which we can project fairly accurately what our grain production is going to be on a five-year cycle. The first projections related to the years 1971-1975. They are now being forecast up to the year 2000. We also have the operations of the United States department of agriculture, the World Bank, the Canadian Wheat Board, the Canadian Grains Council, all involved in helping to make the forecasts.

• (1650)

There is one aspect of this which I feel is very important. That is the symposium being sponsored by the Canadian Wheat Board on the future capacity of western Canada's grain producing aspects—what are they going to be able to produce? I quote from *The Globe and Mail* on this. "There is going to be a symposium in which our object will be to assess the current productive capacity of the prairies in grains and oil seeds."

It would be premature for us immediately to introduce a motion like this which guarantees a floor price without having the benefit of what this symposium is going to bring to us. What they are also going to be looking at is how we can reach our projection of 30 million tonnes by 1985 and 36 million by 1990. How can we increase exports to those levels? These are the targets that have been set in the Booze-Allen study. How can we identify a necessary strategy for short and long-term action to ensure that these production targets are met?

We recognize that we have problems in the area of transportation. The minister brought these to our attention. I am happy to say that we are doing something about it. Maybe some of this policy has been targeted as being double tracking. We call it upgrading of existing rail facilities to help that export. We are also dealing with the procurement of a number of new hopper cars. There are 2,000 new cars that have recently been put in service by the Canadian Wheat Board. Another 650 have been leased for the year by the Manitoba government. There are outstanding orders for 1,000 from Alberta and Saskatchewan. These will bring to 16,000 the number of available cars.

Mr. Knowles: Go back to the first part of your speech. It was the best part.

Mr. Peterson: This is a part that I took from an old speech that was given by you, good sir, in this House a long time ago. It came from somewhere anyway, some source of which I am equally proud if it did not come from you. It was certainly post-depression in terms of the quality of debate that has been going on in this House.

Let me conclude. While all of us support this type of thrust, let us proceed to do the further studying that is necessary. Let us proceed with the symposium that is coming up, which can help us assess our real needs. Let us realize the differences that are taking place in the international community. Let us recognize the needs that we are going to have to meet in helping other people become self-sufficient as well.

Some hon. Members: Question.

Mr. Peterson: I would be happy to have a question from members opposite. I would be happy to have the support of my colleagues in continuing what I think is a very important debate in this House this afternoon.

In conclusion, let me say I have appreciated the opportunity of listening to the remarks of hon. members opposite. I hope that the spirit of this bill will always be before this House as we are considering important issues of this nature.

Grain Prices

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker—

Mr. Kempling: He cuts his lawn every weekend.

Mr. Evans: Yes I do. I am proud to do it. If those clippings could be brought together in one place, I would be glad to make them available to feed cattle.

Hon. members today have put forward a motion that has to do with a floor price for grain and oil seeds. I would like to say a few words about the problems that I see in establishing such a floor price and some of the difficulties that we would face if such a program were to be brought forward. Some of these difficulties deal with the estimation of farm production costs.

Mr. Knowles: Look to the Speaker. Don't look to the door.

Mr. Kempling: Black Rod is going to get you.

Mr. Evans: I was not referring to the door. I was referring to the hon. member for Winnipeg North Centre (Mr. Knowles) to whom I always look for wisdom and advice.

Unfortunately there are major difficulties in estimating the production costs that would be necessary to establish a meaningful floor price for these grains and oil seeds. First, there is a lack of determined price information for the farmer's own labour and management, which are major inputs into the cost of production. Second, there are problems of computing an opportunity cost for the use of crop land. Finally, there is the extremely wide variability for the cost of producing a farm commodity such as grain in different parts of the prairie provinces.

Madam Speaker, if we had more time this afternoon I would like to go into detail in all of these areas and indicate the economics of establishing a minimum price for grains and oil seeds and why I would not think it would be a wise thing for us to do at this time.

Mr. Baker (Nepean-Carleton): On a point of order, Madam Speaker, there have been some discussions in the House with respect to the availability to members of Parliament for their use, of copies of Bill C-36. The bill is in great demand by all members. I wonder if it might facilitate things, particularly for the printing and distribution branch and for the operation of the House of Commons, not to mention the members, if the House could agree to an order to have extra copies of Bill C-36 printed for the use of members of Parliament in a quantity that would be acceptable to the Clerk of the House of Commons. I put it as precisely as that to assist you and hon. members in understanding the purport of what I ask.

Madam Speaker: I suppose the House has no objection. In fact we are overwhelmed with requests for this bill. If the House agrees, we will see to it that supplementary copies are printed.

Some hon. Members: Agreed.

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-28, an act to amend the Fisheries Improvement Loans Act; and Bill C-36, an act respecting the national anthem of Canada.

• (1700)

ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

• (1710)

And being returned:

Madam Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-36, an act respecting the national anthem of Canada—Chapter No. 5.

Bill C-17, an act to amend the Small Businesses Loans Act—Chapter No. 6.

Bill C-27, an act to amend the Farm Improvement Loans Act—Chapter No. 7.

Bill S-3, an act to amend an act to provide for the appointment of a Port Warden for the harbour of Quebec and to amend an act to amend and consolidate the acts relating to the office of Port Warden for the harbour of Montreal—Chapter No. 8.

Bill C-21, an act to implement the International Convention for Safe Containers—Chapter No. 9.

Bill C-20, an act to amend the Federal Business Development Bank Act—Chapter No. 10.

Bill C-28, an act to amend the Fisheries Improvement Loans Act—Chapter No. 11.

Madam Speaker: It being five o'clock, pursuant to the provisions of subsections 1 and 3 of Standing Order 2, the House stands adjourned until Wednesday, July 2, 1980, at 2 p.m.

[*English*]

I invite all hon. members to come and celebrate this great event for Canada and its people in my chambers.

At 5.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, July 2, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

INCLUSION OF ALLEGED PROPAGANDA PAMPHLETS WITH PAY CHEQUES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgency concerning the very worthy campaign for funds being conducted by the University of Ottawa, headed by the Minister of Transport (Mr. Pepin), but concerning collection activities within the public service that are serious breaches of the law and regulations. I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the House requests three ministers of the Crown to give full explanations in regard to coercing public servants and the breaking of laws and regulations, namely, the President of the Treasury Board authorizing, on request of the Minister of Transport, the soliciting of 60,000 public servants at work, inclusion of propaganda pamphlets with June pay cheques, contrary to chapter 328 of Treasury Board charitable campaigns manual, the Minister of National Revenue for allowing charitable donation tax receipts involving gifts to donors, contrary to the Income Tax Act and, finally, the Minister of Supply and Services for permitting the coercive letter dated May 21, signed by his deputy minister, G. R. D'Avignon, and addressed to all employees of supply administration.

Copies of both documents I have with me.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

INCREASE IN GIS PAYMENTS—STATEMENT BY MINISTER—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

The super minister of social development has not yet had an opportunity to draft guidelines for junior ministers and, as a result, the Minister of National Health and Welfare (Miss Bégin) in a publicity-seeking public statement—presumably made without clearance—said that the Ontario government intends to pocket the increase in the guaranteed annual income supplement effective July 1, 1980. Since the minister failed to produce any tangible proof of her allegations, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the Minister of National Health and Welfare table written proof of her allegations or resign.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ADMINISTRATION OF JUSTICE

CROSS-EXAMINATION OF RAPE VICTIMS—SUPREME COURT RULING—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that the Supreme Court of Canada ruled on Friday last that women who are victims of alleged rapes must be subjected during a *voir dire* to the trauma and the humiliation of cross-examination about their previous sexual history, and in view of the fact that rape is a crime of violence and evidence of previous sexual conduct, either with the accused or others, is totally irrelevant, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House call upon the Minister of Justice to take immediate steps to enact promised and long overdue amendments to Canada's archaic and sexist rape laws, including amendments to deny absolutely any right to cross-examine the rape complainant on previous sexual activities either with the accused or with other persons.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

THE CANADIAN ECONOMY

HIGH LEVEL OF UNEMPLOYMENT—GOVERNMENT EXPENDITURES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise to present a motion of urgent and pressing necessity under Standing Order 43.

Whereas Canada has one million people unemployed, whereas the federal government is still overspending, and whereas we are paying millions of dollars for imported oil, I move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That this House urge Prime Minister to give these problems more attention and spend less time playing with his yo-yo.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

EROSION PROBLEMS IN SCARBOROUGH, ONT.—MOTION UNDER S.O. 43

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I rise under the provisions of Standing Order 43. Considering the plight of many home owners in Scarborough who stand to lose their homes because of severe erosion problems to the Scarborough bluffs, caused in part by the St. Lawrence Seaway Power Authority adjusting Lake Ontario water levels, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Public Works, a resident of the area, be requested to immediately commence discussion with the metro Toronto regional conservation authority as to a course of action and suitable funding to secure the base of the bluffs before more homes are lost over the 115 metres drop into Lake Ontario.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

EMPLOYMENT AND IMMIGRATION

ISSUANCE OF FOREIGN WORK VISAS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under the provisions of Standing Order 43 in connection with the urgent need to prevent Canadian jobs being given away through the issuance of foreign work visas.

Foreign crews have been given visas for jobs which should have gone to unemployed Canadians to work on ships in the Arctic; unemployed Canadian union workers have been disregarded while non-union American workers were hired for work on the Whistler Mountain development in British Columbia, also, foreign iron workers have been brought in to Kelowna to build a fruit plant. Accordingly, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That the Minister of Employment and Immigration launch an immediate inquiry to determine who made these decisions and inform this House what steps he has taken to stop such union-busting tactics, and ensure that in future no work visas will be issued to foreign workers while Canadian workers remain unemployed.

Madam Speaker: Such a motion would require unanimous consent before it could be put to the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HARBOURS

HALIFAX HARBOUR—BRIDGE PIER PROTECTION—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise under Standing Order 43 to propose a motion which I wish could have been seconded by the hon. member for Halifax (Mr. Regan); it will be seconded by the hon. member for Halifax West (Mr. Crosby).

Given the almost tenfold increase in ship traffic under the MacKay and MacDonald bridges spanning Halifax harbour expected with the completion with the second container pier, and noting that the two bridges accommodated a traffic volume in excess of two million vehicles in the first four or five months of this year alone, I would move, seconded by the hon. member for Halifax West:

That the federal government take immediate action to set up measures to instal bridge pier protection in order to reduce the possibility of a major catastrophe resulting in extensive loss of life should such action not be taken in the near future.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

VETERANS AFFAIRS

LEGISLATION TO IMPROVE PENSIONS BEFORE SUMMER RECESS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House agrees not to adjourn for a summer recess until the promised legislation respecting veterans and their survivors has been introduced, passed by both Houses, and given royal assent.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

YOUTH EMPLOYMENT

DELAY IN FEDERAL FUNDING OF PROJECTS—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In light of this government's stated commitment to put people first and to expand its employment program for young people, and because at least five summer youth employment programs in the Peterborough riding have not received their promised federal funding six weeks after their programs began—a delay that is causing great financial difficulty for many young people and has greatly diminished the effectiveness of these programs—I move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

That this government be condemned for its tardiness in meeting payroll commitments, and that the minister responsible for employment and immigration immediately implement a system that will guarantee the issuance of cheques for future student employment projects within a reasonable length of time.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA DAY

PERSONS REQUIRED TO WORK ON JULY 1—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. A number of companies and businesses disregarded our national holiday yesterday and showed disrespect for Canada and Dominion

Day by giving their employees Monday, June 30, as a holiday and expecting them to work on July 1. No other nation in the world would permit such disrespect for its heritage.

● (1415)

While it may be convenient for some just to have another long weekend, surely Canada is more important than a Monday off. I therefore move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That this House express its total dissatisfaction with those companies and businesses which elected to operate and carry on as usual on July 1, and that this House direct the government to alter the provisions of Bill C-37 to make employment of persons other than those in absolutely essential businesses illegal on Canada Day as expressed in that bill.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY, TRADE AND COMMERCE

VENICE SUMMIT—DISCUSSIONS WITH PRESIDENT CARTER

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is to the Prime Minister. It relates to the Venice Summit discussions. I presume that the Prime Minister will be making a statement on motions some time later, but pending that I wish to put a question to him relating to the Venice meetings.

During the Summit the Prime Minister had the opportunity to meet with President Carter, at which time he undoubtedly discussed some of the important problems of a bilateral nature between our two countries. One of these of considerable concern is the Buy America program. The problems in this particular area have been compounded recently by the announcement by New York state authorities imposing controls on imports of steel.

In view of the substantial trade deficit between Canada and the United States, did the Prime Minister seek and receive any assurance from the president that Canadian exporters might receive some relief from the provisions of the Buy America regulations? I ask this question particularly because of the substantial increase in the trade deficit between our two countries in the first four months of this year.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in the meeting I had with President Carter I discussed several subjects of bilateral concern, but I did not raise this one.

Mr. Wilson: That really does surprise me, Madam Speaker, in view of the number of times the Prime Minister's party raised questions in the House last year, with me in particular, as to the importance that his party placed on the effect that Buy America has on particular industries, and more particularly the surface transportation industry.

Pursuant to that, did the Prime Minister ask for assurances from President Carter that new initiatives would be taken by the administration to press for early ratification by the Senate of the Canada-U.S. east coast fisheries treaty and, in particular, initiatives to counter the proposed amendments of senators Pell and Kennedy?

Mr. Trudeau: Yes, Madam Speaker, that was one of the subjects I discussed with President Carter, and that took some time.

Mr. Nowlan: What assurances did you get?

Mr. Wilson: I hope that in his statement on motions the Prime Minister will be somewhat more forthcoming in the event that he did not forget these important discussions on his trip to the northern part of that continent.

Did the Prime Minister discuss with the president the possibility of any joint initiatives, including import restrictions, by the U.S. and Canada designed to lessen the impact of the import of foreign cars on the severe unemployment problems being experienced by workers in the automobile industry? If so, could he today elaborate on these discussions for the House?

Mr. Trudeau: Madam Speaker, perhaps I should save the hon. member some time by indicating that I did not raise all the outstanding bilateral questions between the United States and Canada. I did discuss the fisheries problem; I did discuss the territorial sea boundaries; I did discuss the Garrison subject; and I also discussed the pre-build problem.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—DISCUSSIONS WITH PRESIDENT CARTER—INCREASED USE OF COAL

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Prime Minister. Given that the United States Senate has passed a bill to convert some 80 power plants from oil to acid rain-producing coal, when the Prime Minister met with President Carter last week in Europe, among the urgent bilateral matters he discussed with the president did he urge the United States government not to proceed with the power plant conversions; or did he at least express to the president Canada's hope that these conversions would include technological provisions to guarantee that pollution will not be increased in either Canada or the United States?

• (1420)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member refers to the communiqué he will see that this matter was included in the multilateral agreements between the seven members of the Summit. Therefore, President Carter is perfectly aware of the requirements of Canada and other states with regard to environmental pollution crossing boundaries.

I might add, for the hon. member's information, that I did discuss this question again in the northern countries because they, too, are faced with a similar type of problem with acid rain and problems from parts of Europe south of them. We agreed to exchange further information on this subject in the hope that we might establish some international regime dealing with this kind of matter.

Mr. McMillan: Madam Speaker, I have a supplementary question for the Prime Minister. The Prime Minister has referred to the Venice Summit communiqué. As he knows, that particular communiqué commits Canada and the other six countries to doubling coal production and use by early 1990. How does the Prime Minister reconcile that particular goal, since he mentioned it, with Canada's goal to reduce acid rain pollution caused by that very source?

Mr. Trudeau: If the hon. member refers to the communiqué he will see that this provision on increasing the use of coal was stated along with an indication that environmental questions should be taken into account in proceeding in that direction.

* * *

NORTHERN PIPELINES

CONSTRUCTION OF ALASKA HIGHWAY NATURAL GAS PIPELINE—NEGOTIATIONS WITH UNITED STATES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. About ten days ago the senator who is in charge of the northern pipeline headed a delegation to Washington on behalf of Canada to obtain, as I understand it, agreement on two important points to Canadians. The first was to obtain assurances from the United States government that they would fulfil their obligations under the agreement to build the pipeline and, second, to obtain from private sources in the Unites States their assurances that they would provide the necessary financing.

Would the minister, in light of the motion which was passed in the United States Senate just before the weekend, and in light of the failure to obtain guarantees for financing from private sources, confirm to the House that Senator Olson's trip was a complete disaster in terms of Canadians interests?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, not only did Senator Olson go to the United States ten days ago but he also went last Friday,

accompanied by officials, for meetings with spokesmen from both minority and majority parties in Congress.

The purpose of Senator Olson's trip was not to get assurances of financing from the private consortium involved; it was to get assurances from the U.S. authorities, both the administration and the legislative branch, that they were fully behind the Alaska gas pipeline, and they were committed to see its construction and completion by 1985. In that respect, the trips by Senator Olson proved to be outstanding successes.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, since the resolution—I have a copy of it before me—makes no reference at all to U.S. Congress providing the guarantees that are necessary to complete the project by 1985, guarantees which are absolutely crucial for the resolution to have any meaning in terms of law, I would repeat my assertion at the outset, that what the senator went for was not successfully completed. A pious expression of wishes is one thing; signing on the dotted line, as the minister knows, is quite another.

I should like to ask the minister, since in the bill which was passed by Parliament two years ago it specifically asserted that—I quote from section 12—the pipeline would not be proceeded with unless "financing has been obtained for the pipeline", and since the minister himself said last December that, to use his phrase, ironclad guarantees had to be obtained before any part of the pipeline would be proceeded with, does the Government of Canada today stand by these commitments?

Mr. Lalonde: Madam Speaker, it is thanks to the very firm stand taken by this government that we have succeeded in obtaining very strong additional guarantees from the U.S. authorities. In addition, now there is a firm contract signed between the producers and distributors in the United States by which those companies will spend $500 million for the engineering and design of the pipeline. That was signed last week, or a couple of weeks ago.

● (1425)

Last Friday, the Senate passed the resolution to which the hon. member referred, and I believe yesterday the House of Representatives passed a similar resolution. The fact that we have those large commitments from the private sector and also that we have such clear and strong assurances—stronger than we ever had in the past—from the American authorities, both on the administrative and the legislative side, I think, is a pretty good achievement on the part of this government.

As to the specific question raised by the hon. member, the National Energy Board also is considering reviewing the four conditions which it has put forward before considering approval of the pre-build. We will hear the conclusions of the National Energy Board and the government, the cabinet, will consider the whole issue once we have reports to that effect.

Also, I might mention to the hon. member that the government has requested the American authorities to give quick approval to four gas export licences which are still in suspense.

Mr. Broadbent: Madam Speaker, I have a final supplementary question on this very important matter which the minister recognizes. Last week, before the committee of the House looking into the pipeline, Mr. Edge said—and I do not know if it was a slip of the tongue or not—that what was now being discussed in terms of the southern portion under discussion for pre-building was really a "different project", not the same pipeline.

I should like to ask the minister the following question: does he disagree that what is now being discussed is a different project? Does he think it is the same, or different? If he thinks it is the same, will he stand by the original guarantees in the act to which he committed himself last December? If he is now agreeing that it should be defined as a different project, will he assure the House that before pre-building starts, that measure will be brought before Parliament for agreement?

Mr. Lalonde: Madam Speaker, I should like to tell the hon. member that we share his concern about this whole project, and that this government has given a great deal of time and attention to this issue since we took office. Our purpose is to see to it that the whole Alaska gas pipeline is built. The pre-build aspect must be looked at only in the context of the completion of the whole line. This is the policy of this government, and this is the policy we will stand by.

Some hon. Members: Hear, hear!

SETTLEMENT OF NATIVE LAND CLAIMS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have another question for the Minister of Energy, Mines and Resources. In view of recent announcements by Petro-Canada concerning the supply of gas from the High Arctic to Quebec and eastern Canada, and the favourable results being obtained from Beaufort Sea oil and gas exploration which would do much to improve Canada's energy self-sufficiency, could the minister please advise the House what response the government will make with respect to the resolution passed last weekend at the Inuit Circumpolar Conference in Greenland which called for a moratorium on economic development in the Canadian north until Inuit land claims are settled?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I did not have the opportunity to read the text of those resolutions. I heard about them on the radio. I must assure the hon. member that the cabinet will thoroughly consider the representations made by the spokesmen for the Inuit. It is clear, however, that we must take into consideration the general interests of all Canadians as pointed out by the hon. member, especially the importance for Canada to attain energy self-sufficiency as soon as possible, especially as far as oil supplies are concerned.

● (1430)

[*English*]

Mr. Nickerson: I must say, Madam Speaker, I find that an eminently sensible reply, considering where it came from. I would like to address my supplementary question to the Minister of Indian Affairs and Northern Development.

At that Circumpolar Conference, the spokesman for the Inuit Tapirisat of Canada said that in his opinion the outstanding land claims could be settled in about a year. I should like to know whether the minister is of the same opinion, whether he supports the position of the ITC spokesman that there should be a moratorium, and if this matter is not able to be reconciled within a year will he allow the hopes of Petro-Canada—that great hope of the Liberal party—to be jeopardized on that account?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would advise the hon. member that the Inuit leader was quite correct in that we are going to have a negotiator appointed, probably in mid-August. That is the time the Inuit indicated they would be ready to start negotiations. This depends entirely on how well negotiations go. I sense that both parties want a settlement quickly, so that augurs well for settlement within a year.

As I responded to the hon. member before, there has been—this deals with the latter part of the hon. member's question—absolutely no decision on creating a moratorium in the north at this time. I informed the hon. member of that earlier.

* * *

REGIONAL ECONOMIC EXPANSION

DREE GRANTS FOR DEVELOPMENT PROGRAMS IN NEW BRUNSWICK

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of Regional Economic Expansion and I have given him notice. Will he confirm that New Brunswick will receive $10 million to $15 million less than anticipated from DREE for development programs, and that he has so informed the Premier of New Brunswick?

Is it possible that these funds be reallocated so that the thrust of the good work DREE does in New Brunswick is not diminished?

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I have read Mr. Hatfield's statement and I think that essentially he is asking that the budget of my department be substantially increased. I concur of course with Mr. Hatfield's appeal. On the other hand, the budget of my department earmarked for New Brunswick this year will indeed be lower than last year. I think it will be about $50 million. It will be lower, it is true, but I would remind the hon. member that I am operating under a budget set up by the previous government which deemed it advisable to reduce it.

[*English*]

Mr. Howie: Madam Speaker, I agree with the minister that his department is badly underfunded, and I hope he instituted remedial measures on taking office several months ago. Can the minister assure me, where DREE is obviously underfunded, that DREE funds will not be used for projects other departments should be undertaking, like the Toronto waterfront development, railway relocations and extensions of transportation facilities?

May I repeat my question? I am sorry I went too fast. Can the minister assure me that where, as he has indicated, DREE is obviously underfunded, DREE funds will not be used for projects which are really the obligation of other departments, like transport facility extensions, the Toronto waterfront development, railway relocations and things of that nature?

[*Translation*]

Mr. De Bané: Madam Speaker, naturally, as a matter of principle, I do not finance projects that can be undertaken by other departments. However, it often happens that with the help of DREE some projects can be completed much more quickly than if they had been left entirely to the sole resources of other departments. So, in that sense, we sometimes finance operations jointly with other departments. Still, as the Prime Minister pointed out during the throne speech debate, the policy of our department is to make sure that all Canadians have bread before some of them have cake.

* * *

[*English*]

INDUSTRY, TRADE AND COMMERCE

VENICE SUMMIT—REQUEST PRIME MINISTER MAKE STATEMENT ON MOTIONS—ENERGY NEGOTIATIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have some questions regarding the Prime Minister's timetable. I wonder whether the Prime Minister could tell us when he expects to make a statement on motions in this House on the results of the bilateral and multilateral discussions he had in Venice.

Right Hon. P. E. Trudeau (Prime Minister): I had not intended making a statement, Madam Speaker, and I thought the Leader of the Opposition's office had been advised to that effect. My willingness to answer questions on the subject, of course, is as great as it ever was.

Mr. Clark: That, Madam Speaker, is precisely what troubles us. I find it unacceptable that the Prime Minister should come back to a Parliament which is sitting, after being involved in discussions of great import to the country, and refuse to come before us with a statement on motions. I hope he will reconsider.

Some hon. Members: Hear, hear!

Mr. Clark: I should like to ask him another question regarding his timetable. Now that the Prime Minister has had to take over the energy negotiations because of the failure of the Minister of Energy, Mines and Resources, can he tell us what dates have been established—

Some hon. Members: Oh, oh!

Mr. Clark: There is some shouting from the Liberal backbenchers. Can the Prime Minister tell us what date or dates have been established for the meeting between the Prime Minister, the Premier of Alberta, and no doubt subsequently with other premiers, so we can have a permanent agreement after the temporary extension expires at the end of this month?

Mr. Trudeau: Madam Speaker, regarding statements on motions, I am sure various views can be entertained as to their usefulness, but my recollection is that when a statement on motions is made, it is generally said it does not answer the questions the opposition had in mind. For that reason opposition leaders find reason and justification to make long statements of their own, all of which takes the time of Parliament at a time when urgent legislation is necessary.

To avoid all this I thought it equally useful to indicate my willingness to answer questions. I have already answered several questions today on the subject of the Summit and I am sure the Leader of the Opposition will be able to ask a few questions.

There was a second part of the question, Madam Speaker, concerning energy negotiations. I want to tell the Leader of the Opposition that I have not, to use his words, taken over the energy negotiations. I have just returned from the Venice Summit and other meetings and I have not yet had an opportunity to discuss with the Minister of Energy, Mines and Resources the future timetable of these discussions.

Mr. Clark: Madam Speaker, the Prime Minister has been so long out of practice in making statements on motions in this House that I gather he has forgotten their utility to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: I would remind him that we now have 29 days before the expiry of the second agreement on energy pricing. The country cannot wait forever for the Prime Minister to arrange his itinerary in order to fit in this little matter.

I wonder whether the Prime Minister could simply indicate that he understands the severity of the failure to agree, and can he confirm that unless there is agreement on a comprehensive energy program by the first of August, the development of a new oil sands plant, the Alsands plant, will be delayed by at least a year, at a cost of some 55,000 jobs right across this country.

• (1440)

Mr. Trudeau: Madam Speaker, on the comments made by the Leader of the Opposition, I would suggest it is not quite fair to say that it is a matter of practice. Just a couple of weeks ago, after the first ministers' conference here in Ottawa I made a statement on motions, which was followed by statements on motions by the leaders of the opposition parties. I answered questions for over an hour! I believe that the whole process took close to two hours.

Therefore, it is possible to take this time in Parliament; but I hoped that, as some of the hon. member's colleagues did today, I would be asked to answer specific areas of concern to the opposition parties. I indicated that I was prepared to answer such questions.

With regard to the second part of the question, I would appreciate it if it were addressed to the Minister of Energy, Mines and Resources who is handling this matter.

TRADE IMBALANCE WITH UNITED STATES—EFFECT ON STEEL AND AUTOMOBILE INDUSTRIES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I direct my question to the Minister of Industry, Trade and Commerce. The minister no doubt heard the Prime Minister indicate that in discussions with the President of the United States, the matter of the recent action by New York state as it affects the steel industry was not raised.

Is the minister aware that 16 states now have Buy American policies which detrimentally affect Canada; that 35 states have policies, legislative or otherwise, which detrimentally affect the purchase of Canadian products; that the Steel Company of Canada now suffers a deficit with regard to the purchase of raw materials as against the sale of finished products to the United States, and that we suffer from a $1.3 billion deficit?

Some hon. Members: Question.

Mr. Deans: Are you finished?

Some hon. Members: Question.

Mr. Deans: Is it the intention of the minister to make representation to the U.S. governments, both state and federal, in an effort to correct the imbalances which presently exist and which cost Canadians jobs?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, as usual, my hon. friend is rather late in raising this important subject: we have already been making such representations, and we will continue to do so.

Some hon. Members: Hear, hear!

Mr. Rae: It has not had a lot of effect.

Mr. Deans: Madam Speaker, the minister has indicated that we are late. Can I assume that he will have the same degree of success in raising this matter as the minister had with the auto industry, mining industry, natural gas industry and pipeline

industry in attempting to guarantee Canadians that their economy will be put first?

Mr. Gray: Madam Speaker, I am optimistic that our efforts will have the same results as the efforts of the Liberal party did in northern Ontario when the New Democratic Party was wiped out because they were not able to serve the interests of the Canadian people.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

AIR TRANSPORT

INQUIRY CONCERNING DECISION ON SALE OF NORDAIR

Mr. André Maltais (Manicouagan): Madam Speaker, my question is directed to the Minister of Transport. It deals with the sale of Nordair. Can the Minister of Transport first tell the House what factors are now delaying a decision with regard to that file and, secondly, when does he intend to reach a final decision with regard to the effective sale of Nordair?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we are now putting the final touch to the terms and conditions of sale; in a few days, these will be made known to one of the possible buyers and if the latter meets those conditions, he can then buy Nordair.

* * *

[*English*]

AGRICULTURE

INFECTIOUS DISEASES IN IMPORTED SHEEP—GOVERNMENT ACTION TO ERADICATE

Mr. Mel Gass (Malpeque): Madam Speaker, I would like to direct my question to the Minister of Agriculture. It involves a serious problem regarding the importation of sheep into Canada. Documented cases indicated that sheep imported from Great Britain have been infected with highly infectious diseases, one being enzootic abortion and the other being pulmonary adenomatosis. During the three-year quarantine period the sheep were not checked for these diseases.

Can the minister assure this House that further importations will be checked more closely for these and other diseases that may be common only in their place of origin? For example, sheep are soon to be imported from France: will these sheep be checked more closely while in quarantine, or will some other infectious disease be confirmed after the sheep are dispersed to the public?

An hon. Member: He has pulled the wool over our eyes.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, that such a thing as the hon. member has described could happen is of great concern to my department. We regard the Canadian quarantine system as the best in the world. However, that does not mean that it does not have some problems, or that it will not make mistakes. This problem which seems to exist in some of the flocks which have been imported has been double-checked. I am sure the hon. member is aware that the only way to check the sheep for disease is by slaughtering them.

Miss MacDonald: That is pretty final.

Mr. Whelan: The hon. member has also mentioned sheep which will be imported from France. Every precautionary measure known will be taken when these sheep are put into quarantine at the Grosse Isle quarantine station.

Mr. Gass: Madam Speaker, contrary to what is said, there is a way of checking for enzootic abortion, and it is not by slaughtering the ewe. It can be done by checking the foetus after it has been aborted. This method was not practiced during the three years of quarantine in Prince Edward Island and Cape Breton.

Is the minister considering compensating farmers who have purchased these diseased sheep from government-run importation groups for the purpose of improving their flocks? If so, what form will the compensation take?

Mr. Whelan: Madam Speaker, if proof can be shown that the problem was due to some neglect on the part of the officers in charge of the quarantine, then proper compensation will be made to the people who purchased these sheep. We value very highly the record which we have because, as I have said, it is one of the best records in the world. Because of our ability to provide disease-free sheep, we have a great export business.

What the hon. member has said about enzootic abortion is true, but I understand that it was not brought to the attention of our veterinarians, otherwise tests could have been carried out much sooner than they were.

* * *

ROYAL CANADIAN MOUNTED POLICE

OPP INVESTIGATION INTO "OPERATION CHECKMATE"

Mr. David Smith (Don Valley East): Madam Speaker, I direct my question to the Solicitor General. According to a report in *The Globe and Mail* last week, the attorney general of Ontario has alleged that the RCMP is withholding documentation requested by the Ontario Provincial Police in their investigation into Operation Checkmate. Will the minister advise the House if any documentation or information is being withheld and, if so, whether or not it will be released?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I read the report in *The Globe and Mail* to which the hon. member has referred. I can assure the House that there is no foundation to the statements attributed to the attorney general of Ontario. Shortly after becoming Solicitor General, I offered to provide him and other attorneys general with all the infor-

mation which I had on Operation Checkmate. I have provided that information to the attorney general of the province of Ontario.

I think that he has a tough decision to make as to how to proceed with the information he has, but I think he should stop passing the buck to me and make his own decision on the matter.

* * *

RAILWAYS

CANADIAN NATIONAL TAKEOVER OF NORTHERN ALBERTA RAILWAY—EFFECT ON WORKERS

Mr. Albert Cooper (Peace River): Madam Speaker, I direct my question to the Minister of Transport. Can the minister advise me of any changes affecting workers on the Northern Alberta Railway as a result of the CN takeover of the NAR in Alberta?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not have the details on the matter, but I am told that this is not the first time a railway has been taken over by another railway, and that there are procedures to be followed. The decision as to the acceptability or otherwise of the takeover is presently in the hands of the Canadian Transport Commission.

Mr. Cooper: Madam Speaker, can the minister assure me, in light of this change, that the 65 people in Roma Junction, northern Alberta, who are employed by this railway will not lose their jobs because of the change of office, which is being moved to the city of Edmonton some 300 miles away?

Mr. Pepin: Madam Speaker, I am told that workers in such instances are protected by their terms of employment. However, I will pay particular attention to the case raised by the hon. member.

* * *

INDUSTRY

CANADA-U.S. AUTO PACT—NEGOTIATIONS WITH UNITED STATES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce. The conclusion of the American delegation on the auto pact negotiations is reported in the press as follows:

> Gray was more interested in playing out a political charade for his Canadian audience, than in specific negotiations.

Mr. Deans: As usual.

Mr. Paproski: Same old Gray.

Mr. Rae: Can the minister tell us with regard to the auto pact the specific proposal he made to the Americans?

• (1450)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do not think I have to respond to unattributed comments in press reports. But I do want to place before the House of Commons—I would be happy to table it—the joint press release made by myself and Governor Askew which concludes that "both sides felt the meeting was useful and constructive, and agreed to hold further discussions."

Some hon. Members: Oh, oh!

Mr. Gray: If there is any charade involved here, it is with my hon. friend's attempt to show concern about this matter beyond other people who have equal and greater concern.

Mr. Clark: Equal and greater?

Mr. Rae: Madam Speaker, we have not had an answer to the specific question.

Mr. Clark: It is tough to be arrogant and a clown.

Mr. Rae: The reports that say that an American bureaucrat who was at the meeting said that absolutely nothing happened. Someone else said that he was still waiting for the Canadian proposals, and that no specific Canadian proposals were made. My question to the minister is this: did he make any specific proposals with regard to a fair share of investment in engineering, design, research and development, small cars and after-parts? Did the minister specifically raise any of these issues in the discussion on the auto pact last week?

Mr. Gray: Yes, Madam Speaker, I raised each and every one of them. I put our case very forcefully. We are going to continue the discussions until we get the results that we are seeking in the interests of Canadian workers.

Some hon. Members: Hear, hear!

Mr. Gray: I am surprised that my hon. friend puts the weight he does on the unattributed statements of unidentified American officials; he is quite a nationalist!

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EXTERNAL AFFAIRS

BOYCOTTING OF MOSCOW OLYMPIC GAMES—GOVERNMENT ANNOUNCEMENT

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is to the right hon. Prime Minister. In defence of the principles of freedom, the Conservative party has since January last stood for the boycott of the Moscow Olympics. Are the government and the Olympic committee finally going to announce that we are not officially competing, and will the government tell this to Moscow? Will it renounce Canadian officials in attendance at Canadian Olympic expense?

Will the government reconsider the presenting of the Olympic flag, which is a political contradiction, mentioned on

Friday, June 27, by the hon. member for Kingston and the Islands? Will the government immediately reinstate Bruce Simpson on the Canadian Olympic team who was sacked for his support of the boycott, and will it call for the resignation of Dick Pound, COA president, for his open support of the games and the firing of a great Canadian, Bruce Simpson?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are at least ten questions in that question. Under the rules of the House, I will take them one at a time.

Some hon. Members: Oh, oh!

Madam Speaker: As a supplementary, perhaps one of the questions could be raised.

Mr. Stewart: May I put it very simply, Madam Speaker? Is the Olympic committee finally going to announce that it is not officially competing, and tell Moscow that it is not?

An hon. Member: That is one question.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, in answer to the question asked by the hon. member, may I say that the question of action by the Canadian Olympic Committee is one for it to determine. The Government of Canada has requested the Canadian Olympic Association to refuse the invitation to participate in the games in Moscow. At a subsequent meeting, the Canadian Olympic Association voted that it would accept that request of the government and that it would not participate.

The question as to whether it has formally or in any particular manner communicated its decision to Moscow is one that could be directed to the Canadian Olympic Association. It is not an affair of the government, since the association is a private sector organization.

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ENERGY

OIL DEVELOPMENT OFF NEWFOUNDLAND—AGREEMENT BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that recent results from extensive testing of the Hibernia well off Newfoundland show that potential for massive oil development is becoming more certain every day, and in view of the fact that industry and market analysts are concerned that a jurisdictional dispute between the federal and provincial governments could delay such potential development, could the minister tell us what steps he has taken to ensure that if necessary an interim agreement can be worked out with the province of Newfoundland, so as not to delay the potential development off the shores of Newfoundland?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, obviously there is considerable speculation about development in the Hibernia fields. I am afraid those speculations will continue for some time until the developers have scientifically assessed the value of those fields.

I might assure the hon. member that I have already had a meeting with my colleague from Newfoundland. At that time I indicated to him that we were eager to discuss with the government of Newfoundland any administrative arrangement that would be satisfactory to both parties and to the private sector involved in order to ensure the orderly and speedy development of those resources which I am sure will be of great benefit to all Canadians.

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AIRPORTS

TORONTO INTERNATIONAL—HARMFUL FUMES AFFECTING EMPLOYEES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is to the Minister of Transport. My concern is with problems that have arisen recently at gates 78-80 at the Toronto international airport.

Is the minister aware that several employees at the Air Canada-Rapidair station have been taken to hospital for treatment of unidentified ailments rumoured to be caused by fumes in this one area of the airport? Will the minister investigate this matter immediately and make his findings public?

Hon. Jean-Luc Pepin (Minister of Transport): I will, Madam Speaker.

Mr. McDermid: Madam Speaker, when the minister conducts his investigation, will he inform the Air Canada employees who work in this area, so as to alleviate their fears; and will he also assure the employees who were affected by this mysterious ailment that all workmen's benefits will be available to them?

Mr. Pepin: Madam Speaker, I cannot promise something before making a proper inquiry. If the ailment is so mysterious, maybe it will be mysterious to me also.

Mr. Clark: Most things are.

Some hon. Members: Oh, oh!

Mr. Pepin: But I will do my utmost to find out the causes and advise my hon. friend accordingly.

* * *

NATIONAL ENERGY BOARD

APPLICATION FOR GAS PIPELINE TO NOVA SCOTIA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a question for the minister of energy. Since the govern-

ment has shown some flexibility lately with respect to regional air policy, I want to ask the minister if in his field he will review most seriously the application of Q and M Pipe Lines for a gas pipeline to Nova Scotia which was rejected by the National Energy Board recently.

It is a very important matter, and I would like the minister's assurance that he is not going to let the matter lie dormant when it can do so much good for the region.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already had two meetings with the promoters of the Q and M project and I have indicated to them that the government is still interested in seeing this project through. I have also asked them to continue their study on the environmental aspects brought up by the National Energy Board. I want to say to the hon. member that I hope he will take the same action not only with the Nova Scotia government but also, and especially, with the New Brunswick government, which has indicated some reservations as regards the rapid completion of this project. I hope to have the opportunity to discuss this again in the near future with my provincial colleagues.

[*English*]

Mr. MacKay: Madam Speaker, very briefly, I think I can assure the minister that the government of Nova Scotia fully supports this. I cannot speak for the government of New Brunswick. But I would remind him that there are great economic benefits as well as increased security of supply inherent in this application. Will the minister at least encourage the NEB to reopen the application?

Mr. Lalonde: Madam Speaker, I cannot force the NEB to reopen the application. The application can be looked at again only on the initiative of the sponsors of the project: this is where the next step or action could come from.

Again I would like to point out to the hon. member that I hope he is not suggesting we should ignore the reservations expressed by the government of New Brunswick. We should get the co-operation of all governments concerned in the maritimes before we can proceed with this particular project.

* * *

● (1500)

THE CONSTITUTION

DISCUSSIONS IN GREAT BRITAIN ON PATRIATION

Hon. Jake Epp (Provencher): Madam Speaker, I wish to direct my question to the Prime Minister. In his discussions with Prime Minister Thatcher of Britain, as well as with the leaders of the other political parties in Britain, and in view of those discussions with the three leaders in Britain, did he receive assurances from all of them that there would be quick passage of patriation of the Canadian Constitution once all steps were completed in Canada?

Right Hon. P. E. Trudeau (Prime Minister): What were the last three words—once what?

Mr. Epp: Once all steps were completed in Canada.

Mr. Trudeau: Yes, Madam Speaker, I received general assurances along those lines.

Mr. Epp: Those are general assurances. I am really asking the Prime Minister whether in those discussions there were any specifics raised as to the timetable. There have been some press stories. Were timetables discussed with the three leaders? Were any timetables agreed to between the Prime Minister and those three leaders?

Mr. Trudeau: No, Madam Speaker. The only way in which the problem of timing arose was when I indicated to Prime Minister Thatcher, and perhaps one or two of the other leaders, that we had a commitment in Canada to ensure renewal of the federation in all due haste. When I say we, I mean the Parliament of Canada and every provincial premier.

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POST OFFICE

INQUIRY RESPECTING PRINTING OF OLYMPIC STAMP

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is to the Minister of Consumer and Corporate Affairs and Postmaster General. The Postmaster General reported to this House some time ago that if the Soviet Union is not out of Afghanistan by July 4, 1980, Canada will not issue an Olympic stamp.

Would the minister consider printing the stamp as originally planned, but having the word "Boycotted" imprinted across each stamp? Would this not act as a more effective symbolic reminder to people in Canada and throughout the world that Canada is still boycotting the Moscow Olympic Games?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, that is indeed a very interesting suggestion. Unfortunately, at this stage in the production of the stamps anything superimposed could damage the original stamp. Rather than that, I will announce tomorrow, in a press release, that this issue has been destroyed.

[*English*]

PRIVILEGE

MR. COSSITT—LETTER FROM OFFICE OF MINISTER OF NATIONAL HEALTH AND WELFARE

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a question of privilege. I thank you, Madam Speaker, for allowing me to bring this up. I would have given longer notice had it been possible.

About an hour ago I received an envelope bearing the heading "Health and Welfare Canada", originating in the office of the Minister of National Health and Welfare (Miss Bégin), addressed to Tom Cossitt, MP, House of Commons, Ottawa. I feel it is absolutely pertinent to my question of privilege that I read the two short paragraphs that are contained in this letter or document along with the heading above. It reads as follows:

To: All Liberal Members of Parliament:

From: Sheila Zimmerman, Special Assistant

Date: July 1, 1980

Subject: New Horizons

You will find enclosed description of New Horizons projects submitted by groups in your riding which have been recommended in the most recent series.

The names of these projects will be announced to the press on July 9, 1980, by the Minister of Health and Welfare. If you have any objections to make about projects selected from your riding, please let us know before that date.

I feel it leads to this question which is a matter of privilege: do Liberal members have the right to veto New Horizons applications by groups of senior citizens in this country? After all, that is what it says right here. If it is true, it is a shocking breach of the privileges of this House and another travesty of justice respecting hundreds of senior citizens and groups of senior citizens from one end of Canada to the other.

This letter also indicates that the government does not consider all members of this House equal. In other words, although we are all members of Parliament duly elected by the people, over there there are privileges that we do not have. In this particular case I feel sure there is no one on this side who would want the privileges they have over there, namely, the right to rebuke and veto the legitimate applications of senior citizens.

The letter also contains more than just a mild and nasty implication that the government is using New Horizons grants for political purposes on behalf of the Liberal members of this House, which I contend is a breach of parliamentary privilege. According to this letter, they are given eight days to say, "Yes", or "No"; "We will permit this grant," or "We will not permit this grant," as the case may be. One can also wonder whether this same system that they have now applied to the New Horizons grants applies to all other grants this government is involved in when it comes to dealing with other types of things and other groups across this country.

In conclusion, I believe this shameful matter is definitely a matter of privilege. It should be investigated by the Standing Committee on Privileges and Elections. I would like to reserve my right to move that it be referred to that committee if such appears to be appropriate in due course.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I suggest that the most serious mistake which this question of privilege has brought to light is to have considered the hon. member as a Liberal. Besides that, I should think that it would be elementary for the House to permit me to have a look at the letter or memorandum and to check its content. I saw this memorandum at the beginning of my tenure. As far as I can remember, it does not deal with a veto of any sort. This is an ordinary sort of memorandum which is sent to government members just like those which were sent by the previous government when they wanted to get an input from their own people about many community programs. It is clear and it is the basis for this whole argument, that if the hon. member prepared a list of all the New Horizon projects which have been approved in Canada, he would realize that all ridings get their fair share under this program, no matter their political affiliation, the political party of their elected members or their geographical situation in Canada. That is what matters. This is clear, and I have always encouraged hon. members to do this. I take this opportunity again to tell the hon. member directly who took offence and who raised this question of privilege, to contact the local office of the New Horizons program if he has representations to make. Sometimes, a number of hon. members may indicate to the minister's staff or the official in charge of the decentralized administration of this program, that such or such a group of senior citizens does not seem to submit a legitimate project. We would discuss the issue with hon. members and clear the air. There have been times even when projects were consolidated, that boards of directors were replaced by a more structured one, and other similar things. Therefore, I do not quite see the point of the hon. member's question of privilege, but I ask to reserve the elementary right to examine again the memorandum.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the hon. member is asking for the right to reserve this matter so he can bring a question of privilege later, after the minister has had a chance to review this very selective letter inviting a secret veto on various government programs, extending that right exclusively to members of Parliament on one side of the House, Liberal members of Parliament, and not to others. What is important to underline here is that in the initial remarks made by the minister, remarks based upon what she admits was a lack of information, the minister suggested that there was—

Miss Bégin: No.

Mr. Clark: —the minister tells me she did not say that, but she has not seen the memorandum.

Miss Bégin: I do not have it in my hand.

Mr. Clark: It is among the things that she does not have in her hand.

Some hon. Members: Oh, oh!

• (1510)

Mr. Clark: Two points arise here. One has to do with the fact that there appears to be an established practice within this government of consulting not with all members of the House of Commons but simply with Liberal members of the House of Commons regarding policies and practices which affect the citizens represented in this chamber not simply by Liberals but by members from all political parties. That is one aspect, and that practice is clearly wrong on the face of it; it is a matter which, in my judgment, deserves serious consideration as a question of privilege by a committee of the House.

The other matter, almost as dangerous, as was indicated by my hon. friend when he raised this point, is that we appear to have here, over the authority of the signature of a minister of the Crown, a secret veto system which allows Liberal members, presumably for Liberal party purposes, since it was sent only to Liberal members, to veto, to cancel, and to undermine New Horizons programs, grants which might have been made on the basis of merit, because they might not accord with the partisan interests of the Liberal Party of Canada. That is a totally unacceptable procedure and we should not allow the Minister of National Health and Welfare to suggest that this is a practice which could somehow be condoned because there have been other instances in which there has been open consultation with members on both sides of the House. This is a case which is clearly distinct from those other instances. It is distinct because the opportunity for consultation was confined to members of the Liberal party, and it is distinct because there is a clear request, a clear invitation from the minister's officials to Liberal members of Parliament, to have decisions which might have been made for reasons of merit undercut and undermined for reasons of Liberal partisan politics.

Some hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Madam Speaker, I should like to add one point to this discussion and suggest it would be even more a question of privilege if this veto is to be applied by the Liberal twin members of members who are elected by the people to the Progressive Conservative Party or the New Democratic Party. The Liberal party has taken upon itself the totalitarian concept of appointing a member to represent a constituency in western Canada, and if that member is now going to be able to veto applications from senior citizens in the twin ridings it would, indeed, be a catastrophe.

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, the critical question, it seems to me, is not that members of Parliament have been advised that New Horizons projects were taking place in their ridings or that projects would be approved on a certain date; the critical question is that members on the government side are given an advantage, or appear to be given an advantage, or may have been given an advantage which other members have not.

May I refer you, Madam Speaker, to a precedent in the last Parliament? My hon. friend from Yorkton-Melville (Mr. Nystrom) raised the question of partisan political committees formed by the party which was then in power to study particular questions, committees to which a budget was allocated by the government of that day and to which members of opposition parties had no access.

As I say, the critical question seems to be whether advantages are being given to Liberal members of Parliament which are not open to other members. If so, precisely what are they? If they are being given an advantage, I would suggest that on the precedent of a ruling given in that case by Mr. Speaker Jerome, it appears to me the privileges or rights of members on this side are being prejudiced in their ability to represent their constituents in the same way as Liberal members are able to do so.

Quite apart from partisan bickering back and forth, if there is an advantage being given to Liberal members which is not given to others, there is unfairness involved and it is a practice which should stop—not by cutting off information from members of Parliament but by saying to all members, "If you have a reasoned objection to a particular proposal, the minister would like to discuss it with you in a reasoned way". It would not be a case of a member having an absolute veto over something which does, or does not go on, in his or her riding. I should like to hear from the minister on this question because it seems to me we all need to be enlightened as to exactly what is the government's practice.

Mr. Bill Domm (Peterborough): Madam Speaker, when ruling on this question of privilege I should like you to take into consideration a matter which has been brought to my attention in the riding of Peterborough recently. It has long been the practice among all members of Parliament to send out congratulatory letters to new Canadian citizens as they receive their citizenship certificates. I should like to bring it to the attention of the House that a directive went out two weeks ago—and I would remind you, Madam Speaker, that Peterborough is no longer represented by a Liberal—to the citizenship office opened by the former Liberal member and minister in Peterborough advising the office of citizenship that it was no longer to send a list of new Canadians who received their citizenship in Peterborough to the present Conservative member of Parliament in the city of Peterborough.

Some hon. Members: Shame!

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I find it amazing that the opposition is criticizing the minister for consulting members of her own party without, of course, shirking in any way the responsibility for making all her own decisions. Criticizing the minister for consulting her colleagues seems to me not only unacceptable, but most amazing if we consider how the Con-

servatives administered the Local Initiatives Program during their brief stay in power.

Madam Speaker, you will recall how the program has been administered for about ten years, when the member concerned, whatever his party, made his recommendations to the minister. However, during the few months that the Conservatives were in power—and I am thinking about the region that I represented, the Gaspé peninsula, where no Conservative member was elected—the then minister, Mr. Atkey, ignored the recommendations of elected members and consulted defeated candidates of the Progressive Conservative Party. And I still recall hearing Mr. Atkey explain in the House why, contrary to the previous Liberal government, he would consult defeated Conservative candidates.

Therefore, criticizing the Minister of National Health and Welfare (Miss Bégin) for consulting certain members of Parliament without evading her own responsibilities seems to me completely unjustified, especially coming from a party which, during its brief stay in power, ignored this basic rule of consulting the elected members of Parliament.

Hon. Roch La Salle (Joliette): Madam Speaker, I would only like to add a comment about the question of privilege. I believe the Minister of National Health and Welfare (Miss Bégin) indicated a moment ago that she was not aware of this letter which is said to have been sent—

Miss Bégin: No, I never said that.

Mr. La Salle: I believe the minister has asked to read the letter mentioned by the hon. member. It seems clear to me, after hearing the question of privilege, that a letter allegedly has been sent to Liberal members so that they may object to a New Horizons project. I suggest that is what my colleague has said.

I know from past experience, and I appreciate very much the services of this department, that we are advised of the fact that a project will eventually be announced, and we are asked not to announce it because it is still at the development stage, so in the end we are advised a few days in advance about a given project. That is established practice. However, if it is true that Liberal members of Parliament are invited, on a particular matter, to object to a project, this is obviously inadmissible. In the circumstances, it seems that the minister wishes to have a closer look at the document mentioned today. And, with this in mind, I do hope she will correct this additional privilege which is obviously unacceptable.

As for the remarks made by the Minister of Regional Economic Expansion (Mr. De Bané) concerning our approach to the distribution of local initiative projects, Madam Speaker, a serious evaluation of the existing system since the inception of the program woud reveal there was need for corrective measures and that still holds true.

• (1520)

[*English*]

Hon. David Crombie (Rosedale): Madam Speaker, it was not my intention to intervene in the debate, but there were some queries raised by the Minister of Regional Economic Expansion (Mr. De Bané) which I think took the matter away from the appropriate matter before you.

The question raised is the privileges which affect members of this House in relation to their work and in relation to their constituents regarding the New Horizons program, and I think we should confine our concerns to that. The program which this question can affect, the New Horizons program, is probably one of the most enlightened programs this federal government offers.

As the minister knows, there is an incredible number of applications which come in, and the criteria for selection have to be so fair, open, and above board that people will trust the selection system. This is absolutely crucial, particularly in this program—almost above any other—and it seems to me that it is incumbent upon the Chair, and certainly upon the minister, by statement or by whatever appropriate procedure that you, Madam Speaker, have at your disposal, to make sure that the credibility of the selection process is restored. It is therefore absolutely essential that the minister make that statement or, it seems to me, that you should allow for a procedure which would make sure that every senior citizen organization in this country can again trust the system of selection, now that the matter has been raised.

[*Translation*]

Madam Speaker: At the outset, I would say that the right hon. Leader of the Opposition (Mr. Clark) was probably misled by the interpretation. My understanding of what the Minister of National Health and Welfare (Miss Bégin) said is that she was replying with reservation as she had not recently read the memorandum in question. I think the right hon. Leader of the Opposition understood something entirely different, to the effect that she had never seen this memorandum. But, if my understanding is correct, she was expressing herself with reservation because the memorandum had been written, it seems, some time ago.

On the question of privilege, I must advise the hon. member that I was somewhat lenient with him since this question did not arise out of today's proceedings. But, as he sent me a little note during question period, I decided to hear him. Be that as it may, though I did not receive as much of an advance notice as I would have wished, I will nevertheless decide on the question of privilege. I do not think there is substance here for a question of privilege. As hon. members know, the question of privilege is very restricted. A member's privilege is usually an action of some nature which prevents him from fulfilling his duties as a member. Now, I am under the impression that all hon. members who took part in the debate today were able to fulfil their duties as members for they were able to protest

against a matter which they deemed not well taken care of by the government.

As for the hon. member for Broadview-Greenwood (Mr. Rae), I think it is important that he distinguish between rights and privileges given to members and rights and privileges which political parties may extend to them. There is a very important distinction to be made, for the existence of parties is one thing and the existence and procedures of the House of Commons is quite another. I am referring to all the definitions given for a question of privilege. The hon. member will realize that it is extremely restricted, extremely limited and that today, in any case, there was not a question of privilege in the matter raised by the hon. member for Leeds-Grenville (Mr. Cossitt).

Quite obviously the explanation given by the hon. Minister of National Health and Welfare was not satisfactory to those who took part in the discussion. But that is no concern of the Chair. I only have to decide whether there is a question of privilege or not and, in my opinion, there is not.

Mr. Clark: Madam Speaker, I may have misunderstood what you said or perhaps I was wrongly interpreted, but I want to be sure about the decision you have just rendered. There are two matters and to avoid any mistakes in French, my second language—

[*English*]

I will put the questions to you in English, if I might, Madam Speaker. Am I correct in my interpretation that you have now indicated that even though the hon. member had asked for the right to reserve a question, you are deciding on the question now?

Second—

Mr. Pinard: Right on.

Mr. Clark: I am told by the government House leader, who is in the habit of coaching on these questions, that we are right on. But simply for the purpose of clarification I would also like to know whether it is the ruling of Your Honour that the privileges of the House are not affected when a right is given to members of the House who are here as Liberal members of Parliament but that that right is denied members of the House who are here as Progressive Conservative and New Democratic members of Parliament.

Mr. Andre: That is the question.

Mr. Clark: Simply for certitude, in case I may have misinterpreted the statement made in a language which is my second, I would like to know if my rendition of my interpretation of those two decisions by Your Honour is the correct one.

Mr. Pinard: Ask you advisers. You are wasting our time.

[*Translation*]

Madam Speaker: I shall repeat in French to make sure I make no mistakes. I said to the hon. Leader of the Opposition that it was quite clear to me that the minister had not asked for the matter to stand. She simply said she was responding with reservations. She was giving an explanation with reservations considering it has been a while since she has seen the memo. She did not ask the Chair to reserve the matter.

[*English*]

Concerning the second part of the right hon. member's intervention, I have ruled on this question that there is no privilege. I have given the grounds on which my ruling is based, and therefore I have to maintain my ruling. There is no privilege in this question, and I regret to say that I cannot entertain further discussions on that ruling.

Mr. Cossitt: I have just one short point of order, Madam Speaker. Without questioning your ruling, of course, may I ask that you clarify for the House whether it is now a declared necessity that a senior citizen or a senior citizen group must cosy up to a Liberal member who, in turn, must cosy up to the minister in order to get a grant from this government?

An hon. Member: That is not what she said.

Mr. Cossitt: If that is not a question of privilege, I do not know what is.

Mr. Andre: That is the implication of that decision.

Madam Speaker: I think I can clarify that quite rapidly. It is not for the Chair to make any kind of commentary or any evaluation or appreciation on whether the actions performed by this government or by this minister are adequate or not. That was the essence of the hon. member's question of privilege. It is the hon. member's privilege to discuss the actions of the government if he wishes to do so, as long as he follows the rules of this House.

Mr. Andre: Liberals can do anything?

Madam Speaker: My ruling is based solely on the fact that the actions referred to did not prevent the member from performing his functions as a member of Parliament.

Mr. Paproski: That is exactly what happened.

• (1530)

Mr. Taylor: Madam Speaker, following your ruling, may I say that you did not deal with one point—

Madam Speaker: Order, please. I cannot entertain any further discussion on that ruling.

Mr. Taylor: On a point of order, Madam Speaker, will Liberal members who have been appointed twins of other party members now have the right to veto Horizon projects in a riding? I think that is vital to this whole thing.

Madam Speaker: The hon. member must understand that I have made no judgment on the question he is now putting. If the hon. member has questions concerning that precise point, he can put them to ministers at question period, or he can

debate them at other times in the course of deliberations in the House. I have not ruled on the substance of that question.

* * *

POINT OF ORDER

MR. STEWART—NOTICE OF QUESTIONS TO BE RAISED DURING ADJOURNMENT DEBATE

Mr. Ron Stewart (Simcoe South): Madam Speaker, a few moments ago I asked of the right hon. Prime Minister (Mr. Trudeau) a composite question dealing with the Olympic Games and the boycott. The right hon. gentleman asked that I put the questions one after the other. I was not given that opportunity, so I should like to request that I be given a chance to put them in the late show, with the right hon. Prime Minister or his appointee to answer them.

Madam Speaker: The hon. member can have that opportunity if he sends me a written note. His question will be put down for the late debate whenever his turn comes.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN POLLUTION—STUDY OF INCO FEASIBLE EMISSION REDUCTIONS

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, as I indicated in response to a question from the hon. member for Hillsborough (Mr. McMillan) on June 5, my department has conducted a preliminary assessment of technically and economically feasible emission reductions for Inco's Sudbury operations. I should like to table, in accordance with the provisions of Standing Order 41(2), copies in both official languages of the assessment report and the executive summary of the nickel industry report.

* * *

[*Translation*]

BANK ACT AND QUEBEC SAVINGS BANKS ACT

MEASURE TO EXTEND OPERATION UNTIL NOVEMBER 30, 1980

Hon. Pierre Bussières (for the Deputy Prime Minister and Minister of Finance) moved for leave to introduce Bill C-39, to amend the Bank Act and the Quebec Savings Banks Act.

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

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 82, 134, 180, 198, 261, 543, 599, 793, 825, 827, 934, 973, 974, 1052 and 1053.

[*Text*]

VETERANS AFFAIRS—RELOCATION TO PRINCE EDWARD ISLAND

Question No. 82—**Mr. Cossitt:**

1. Is the government aware that the District G Convention of the Royal Canadian Legion held in Pembroke, Ontario, discussed the move of the Department of Veterans Affairs from Ottawa to Prince Edward Island and that the branches present were not in favour of the plan?

2. Are estimates of moving costs between forty and eighty million dollars accurate and, if so, how can this expense be justified considering all of the circumstances?

3. (a) What is the total number of persons employed by the Department of Veterans Affairs (b) what was the total number (i) one (ii) two (iii) three (iv) four (v) five years ago?

4. To date, what is the number or estimated number of DVA personnel who have indicated that they are not prepared to move, do not intend to move or who have not yet given a definite answer?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. The subjects discussed at the district G convention of the Royal Canadian Legion held in Pembroke have not been brought to the attention of the Minister of Veterans Affairs. However, the government is aware that the Royal Canadian Legion opposes the relocation of the Canadian Pension Commission to Prince Edward Island.

2. The total approved funding for the relocation of Veterans Affairs is $23.6 million. This does not include costs for building and land which are under negotiation and may not be borne by the federal government.

3. (a) 1979/80 Head Office Staff—936;

(b) (i) 967, (ii) 887, (iii) 853, (iv) 841, (v) 794 (Head Office Staff).

4. Figures unknown in light of revised relocation phasing which now extends into 1983. Employees are required to make a binding decision whether or not to relocate nine months before the new date of relocation.

NUCLEAR WASTE MATERIAL—TRANSPORTATION

Question No. 134—**Mr. Cossitt:**

1. Is nuclear waste material being transported through areas of Canada and, if so (a) since what date (b) what are the points of (i) origin (ii) destination in Canada and in the United States?

2. Is such material transported from Chalk River southward to the American border and specifically through the Constituency of Leeds-Grenville and, if so, how many times on the average per week or month?

3. What ports of access to the United States are used and do these include the Prescott-Ogdensburg Bridge at Johnstown, Ontario and the Thousand Islands Bridge at Lansdowne, Ontario?

4. What is the safety record of such transportation including the number of accidents that have happened since transportation commenced and how many of the accidents could be classified as being in any way potentially dangerous whatsoever?

5. What tests, if any, have been taken by any branch of government or Crown corporation to determine the dangers involved and what precautionary measures should be taken as a result?

6. Is it the government's intention to continue the transportation of such material and, if so, for what reason?

7. What is the purpose of the transportation of such material from Canada and what is it used for at its destination?

8. Is the government remunerated for such nuclear waste material by recipients and, if so, to what extent?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited and Atomic Energy Control Board report as follows:

1. (a) and (b) It is assumed that the term "nuclear waste material" is a reference to irradiated nuclear reactor fuel discharged from reactors and which contains radioactive fission products and activation products. In the nuclear power program most irradiated fuel produced in CANDU power reactors has been stored on the site of power plants. However, for experimental purposes small quantities of spent fuel have been transported from the Chalk River Nuclear Laboratories—CRNL—since the early 1950s. Such shipments have been made to and from the Whiteshell Nuclear Research Establishment—WNRE—at Pinawa, Manitoba and from the Nuclear Power Development—NPD— reactor at Rolphton, Ontario to CRNL. In addition, shipments have been made from CRNL to the Savannah River Plant of the United States' Department of Energy in South Carolina and irradiated fuel has been sent from the McMaster University research reactor in Hamilton, Ontario to the United States for reprocessing.

In the late 1960s and early 1970s a substantial number of Candu power reactor fuel bundles were shipped to Europe from the NPD, Douglas Point and Pickering reactors.

Atomic Energy of Canada Limited reports as follows:

2. On average there are about 20 spent fuel shipments per year from CRNL of research reactor fuel. Approximately 6-7 per year are made from CRNL to the Savannah River Plant, South Carolina. In some years, no shipments are made with a commensurate increase in subsequent years. As regards the shipping routes of the spent fuel from CRNL, shipments are made in accordance with security plans approved by AECB. In order for these plans to be effective, the information in the plans and details of the actual shipments must be withheld from public exposure.

3. See answer to part 7. Any available port of access to the U.S. could be used for shipments.

4. Since 1964 when shipments by the current transport contractor commenced and a different type of container was introduced for shipping spent fuel, there have been no accidents or accidents involving the shipment of spent fuel from CRNL. However, prior to this date there were five cases involving the release of radioactive material. Three of these shipments were by rail and two by road. Four of these incidents resulted in contamination of the trailer or railway car which were then decontaminated. In one instance, there was leakage onto six square metres of ground outside the railway car. The ground was decontaminated by removing 3°°-6°° of the soil. In no case was there any personnel overexposure. None of these incidents exposed the public to any danger.

6. It is AECL's intention to continue the transportation of spent fuel from Chalk River to the USDOE Savannah River Plant as long as the current fuelling arrangement is used for the research reactors at Chalk River. Some of the reasons for this policy are:

(a) A significant amount of enrichment still remains in the spent fuel after it is no longer usable in the reactor. It is economically advantageous to recover this material.

(b) Canada does not have an operational plant capable of processing irradiated uranium fuel.

(c) Part of the current non-proliferation policy of the United States Government encourages the return of enriched uranium spent fuel to the United States for reprocessing on a timely basis.

It should be noted that the research reactors at Chalk River are used for research and development in support of the Canadian nuclear power program and also to provide isotopes for medical use in Canada and throughout the world.

7. The spent fuel from the research reactors at Chalk River is transported to a reprocessing plant in the United States for the purpose of recovering valuable unused enriched uranium. This recovered material is fed back into the United States government's enriching facilities for re-enrichment. AECL is credited the value of the recovered material. A quantity of enriched uranium, equal in value to the recovered material, is returned to AECL for use in making new fuel for use in its research reactors.

8. See answer to part 7.

Atomic Energy Control Board reports as follows:

5. Shipping containers for irradiated nuclear fuel are certified by AECB to meet internationally recognized standards for safety set by the International Atomic Energy Agency. Some containers of older design are certified with additional administrative precautions being specified if the international standards are not fully met. Such administrative precautions ensure that the same level of safety is achieved. Shipping containers originating outside Canada are certified by the national authority for that country. The foreign-origin containers are reviewed by AECB and the certificate endorsed for use in Canada. The international standards ensure that packages built to those standards are safe for shipment with minimal administrative control and precautions. The use of international standards and the certification procedures permit safe and free international shipment of radioactive material, including irradiated nuclear fuel.

Order Paper Questions

KENT INSTITUTION—RIOT

Question No. 180—**Mr. Friesen:**

1. (a) How many cells were damaged as a result of the riot at Kent institution, on October 28-29, 1979, (b) how many cell blocks were involved (c) what was the extent of the damage in dollars (d) how many inmates were involved in the riot (e) how many security personnel officers were involved to subdue the riot?

2. (a) How many trips did the regional director of the Pacific Centre Regional Headquarters, office of the Solicitor General, take to Ottawa, as well as to other destinations in (i) 1977 (ii) 1978 (iii) 1979 and what were the locations (b) what was the total cost of the trips (c) what was the total amount paid to the regional director for mileage expenses he incurred in (i) 1977 (ii) 1978 (iii) 1979?

3. (a) What was the total amount paid to personnel, under the authority of the Pacific Centre Regional Headquarters, to cover moving expenses which they incurred as a result of being transferred to another location (b) how many times has the government paid for the brokerage fees of an individual who was obliged to sell his home as a result of being transferred to another location, in the Pacific regional district?

4. (a) How many individuals, now employed as security personnel at the Kent Institution, have had previous experience in a (i) maximum (ii) medium security institution (b) how many are retired armed forces personnel?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

1. (a) Fifty-two cells;

   (b) Four blocks;

   (c)$17,000;

   (d) Forty-two inmates;

   (e) None. All inmates were already locked in their cells, and once having damaged the contents of his cells, each individual stopped. In light of this, the incident was not regarded as a riot but rather a disturbance.

2. (i) 1977

   (a) Locations

   13 trips to Ottawa, Ontario
   1 trip to Kingston, Ontario
   6 trips to Victoria, B.C.
   1 trip to Calgary, Alberta
   1 trip to Winnipeg, Manitoba
   2 trips to Montreal, Quebec
   1 trip to Milwaukee, Wisconsin
   1 trip to London, England

(b) Total cost of trips to Ottawa	$ 9,497.33
Total cost of trips to other destinations	$ 4,627.77
Total	$14,125.10

   (c) Mileage expenses: $282.92

2. (ii) 1978

   (a) Locations

   11 trips to Ottawa, Ontario
   1 trip to Kingston, Ontario
   1 trip to Kelowna and Vernon, B.C.
   1 trip to Prince George and Kamloops, B.C.
   2 trips to Victoria, B.C.
   2 trips to Montreal, Quebec
   1 trip to Quebec, Quebec
   1 trip to Portland, Oregon
   1 trip to Lisbon, Portugal

(b) Total cost of trips to Ottawa	$ 7,742.10
Total cost of trips to other destinations	$ 4,227.40
Total	$11,969.50

   (c) Mileage expenses: $1,168.63

2. (iii) 1979

   (a) Locations

   13 trips to Ottawa, Ontario
   1 trip to Kingston, Ontario
   6 trips to Victoria, B.C.
   1 trip to Campbell River, B.C.
   1 trip to Kamloops-Terrace, B.C.
   1 trip to Whitehorse, N.W.T.
   1 trip to Halifax, Nova Scotia
   1 trip to Lexington, Kentucky
   1 trip to Nashville, Tennessee
   1 trip to El Paso, Texas
   1 trip to Anchorage, Alaska
   1 trip to Little Rock, Arkansas

(b) Total cost of trips to Ottawa	$10,345.36
Total cost of trips to other destinations	$ 4,905.83
Total	$15,251.19

   (c) Mileage expenses: $212.04

3. (a) $31,489.84
   (b) 7

4. As of March 31, 1980

   (a) (i) 64
   (ii) 38
   (b) 12

CANADA MORTGAGE AND HOUSING CORPORATION

Question No. 198—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canada Mortgage and Housing Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

		Fiscal year results expressed in thousands of dollars 1978	1977
1.	Total revenue	$ 804,069	$ 750,838
	Net earnings	$ 6,402	$ 10,767
2. (a)	Total direct subsidies conferred by the government on the corporation	$ 46,759	$ 40,879
(b)	Loans extended by the government to the corporation	$ 1,223,500	$ 912,500

	Fiscal year results expressed in thousands of dollars	
	1978	1977
(c) Investment by the government in the corporation at fiscal year end.	$ 9,844,912	$ 9,659,700
(No write-offs were effected by special vote to delete debts appearing in the Public Accounts)		

PROVINCE OF QUEBEC—COMMUNITY SERVICES PROGRAM

Question No. 261—**Mr. Herbert:**

Did the government sign an agreement with the government of the province of Quebec on community services similar to the two year agreement signed on March 15, 1979, by the Minister of State for Urban Affairs and the Ontario housing minister and (a) if so, what are the terms and conditions of the agreement (b) if not, have any discussions been held with a view to concluding an agreement and, if so, on what date did the discussions take place?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

The Government of Canada signed an agreement on the Community Services Contribution Program with the government of Quebec on May 18, 1979. This agreement was signed by the Minister of Public Works and is similar to the agreement on the Community Services Contribution Program signed with the other provinces. The ministers of municipal affairs and intergovernmental affairs signed on behalf of the government of Quebec. In February, 1980, amendments to the agreement were negotiated to simplify operating procedures.

Under the two year agreements, the Government of Canada will provide up to $47.1 million for the 1979 program year and $78.45 million for the 1980 program year to assist Quebec municipalities in the provision of needed community services. Canada will transfer these funds to the province in the fiscal year following each program year, upon receipt of certified statements of account. The first payment to Quebec respecting claims in the first program year will be made shortly. The province, in turn, will reimburse the municipalities for eligible expenditures incurred as per the certified statements of account.

The province is responsible for the administration of the program to municipalities, and, within broad limits, has full flexibility in determining the use and allocation of funds within the province. However, the agreement ensures that the Government of Canada receives full recognition and publicity for its efforts in providing funding assistance.

POST OFFICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 543—**Mr. Orlikow:**

1. For the fiscal year 1978-79, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programs or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Post Office Department?

2. How much was committed on each contract and to whom?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

1. (a) (i) Study of absenteeism encompassing policies and system, development and implementation of an absentee control system

(ii) Absenteeism in Post Office facilities study

(iii) Feasibility study—new service concepts

(iv) Standing offer agreement for the provision of comprehensive consulting services in the field of marketing research.

(b) (i) Feasibility study of maintenance training facilities

(ii) Engineering and property management study

(iii) Marketing courier services by the private sector

(iv) To provide professional communication resources, to produce audio-visual presentations, illustrating major elements in the Post Office's thrust to improve organizational effectiveness, increase job satisfaction and enhance the working environment

(v) To provide special expertise to the public affairs branch in preparing information for communication within the postal headquarters executive community

2. (a) (i)	Industrial Health Assistance Ltd.	$11,326.42
(ii)	Industrial Health Assistance Ltd.	$22,500.00
(iii)	Ducros, Meilleur, Roy & Associates Ltd.	$ 3,945.78
(iv)	Mr. Paul R. Croker & Associates	$32,000.00
(b) (i)	ARA Consultants Ltd.	$16,300.00
(ii)	Hickling-Johnston Ltd.	$ 4,500.00
(iii)	Mr. William V. Baker	$ 2,500.00
(iv)	Towers, Perrin, Forster and Crosby	$10,000.00
(v)	Eric Miller Consulting Group Ltd.	$21,474.17

FARMERS—N.B.—ASSISTANCE IN DAIRY PRODUCTION

Question No. 599—**Mr. Howie:**

Since April 1, 1977, what amount was paid to farmers in New Brunswick to assist with dairy production?

Hon. E. F. Whelan (Minister of Agriculture): A total of $7,192,641 in subsidies was paid by the Canadian Dairy Commission to dairy farmers in New Brunswick.

ENVIRONMENT—UNIROYAL PLANT—EDMONTON—PLANT EFFLUENT INTO SASKATCHEWAN RIVER

Question No. 793—**Mr. de Jong:**

1. Did the Department of the Environment take any action with regard to the discharge of plant effluent from the Uniroyal plant in Edmonton into the Saskatchewan River and, if so, what action was taken?

2. What were the readings of the chemical contents of such effluent?

3. Does the government feel it has jurisdiction to act on such environmental matters where interprovincial movement of pollutants is concerned?

4. Were any charges laid and, if not, are charges to be laid?

5. What are the long term ramifications of such carelessness?

6. What steps have been taken to ensure that this will not occur again?

Order Paper Questions

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): 1. Uniroyal is licensed under the Clean Water Act of the province of Alberta, licence No. 78-WL-037, which allows non-process wastewater to be discharged to the North Saskatchewan River at a rate not exceeding 68.2 cubic metres per day. The effluent consists of steam condensate, cooling jacket wastewater and overflow from the septic tank. The licence was prepared by Environment Alberta in consultation with Environment Canada.

2. Analysis of the effluent sampled October 15, 1979, yielded the following results.

Parameter	Mg/l	Parameter	Mg/l
pH	7.7	Conductivity	492. ms/cm
Iron	0.88	TDS	254.
Calcium	47.	Magnesium	18.
Hardness T	192.	Sodium	14.
Potassium	1.0	Silica	3.5
NO2 + NO3	3.26	Nitrate	0.05*
Fluoride	0.22	Chloride	53.
Sulfate	50.	Bicarbonate	114.
Alkalinity T	94.	Oil and grease	2.6
COD	43.0	TOC	16.
Carbon T	38.	TIC	22.
TR (CALC)	369.	FR	350.
NFR	19.	Turbidity	17.
Ammonia	0.48	Phosphorous T	1.38
Nitrogen TK	1.39	Phenols	0.148
Surfactants	0.70	Mercury	0.0005
Cobalt	0.003	Copper	0.227
Nickel	0.023	Cadmium	0.001*
Lead	0.015	Zinc	0.417
Manganese	0.182	Chromium	0.030
2,4,D	14.9		

*Indicates concentration less than conductivity reported in microsiemens cm. pH in pH units. Alkalinity and hardness expressed as calcium carbonate. Nitrate + Nitrate expressed as N.

3. The federal government has constitutional jurisdiction to control the interprovincial movement of pollutants. Although specific federal legislation dealing with the interprovincial movement of waterborne pollutants does not now exist, the water pollution provisions of sections 33 to 33.4 of the Canada Fisheries Act could be applied when such pollutants are deleterious to fish. The government is developing proposals for new legislation that would include authority to control certain interprovincial movement of pollutants as part of an over-all federal environmental protection policy. (The development of the policy requires further consultation with the provinces).

4. No charges have been laid. No charges are contemplated at this time.

5. The excursion of concentrations of 2,4,D and total carbon beyond the licensed limits is considered to be only temporary. Because of the small discharge to the river, the impacts of these constituents are not considered to be significant.

6. Alberta Environment, water quality control branch, are currently working with the company to determine the reason for the excursion and correct it.

CMHC—RENTAL UNITS

Question No. 825—**Mr. Howie:**

In the fiscal year ended March 31, 1979, for how many rental units was CMHC mortgage financing provided in (a) Fredericton (b) Toronto (c) Vancouver (d) New Brunswick (e) Quebec (f) Ontario?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

Rental Units Approved by CMHC in the fiscal year ending March 31, 1979 for Selected Cities/Provinces

City/Province	Units	Hostel Beds	$000
Fredericton	—	—	—
Toronto	1,156	34	34,877
Vancouver	96	231	7,821
New Brunswick	64	100	3,831
Quebec	3,905	1,543	109,934
Ontario	3,906	413	108,116

CFB—GAGETOWN—DELETION OF PERMANENT CIVILIAN POSITIONS

Question No. 827—**Mr. Howie:**

1. Are any permanent civilian positions at CFB Gagetown being deleted from the plan or organization within the next year and, if so, how many?

2. What is the total annual payment in salaries for such positions?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes. Twenty-four existing established positions are expected to be deleted.

2. Due to the uncertainty in timing of positions which may be deleted, the total salary situation cannot be estimated accurately at this time.

CANADIAN ARSENALS LTD.—CONTRACT FOR AMMUNITIONS

Question No. 934—**Mr. McKinnon:**

Did DND let a contract for $6,002,887 worth of ammunition from Canadian Arsenals Ltd. and, if so, for what type and for how many rounds?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Yes. This contract is for 16,100 rounds of 105mm squash head practice tank training ammunition.

DIEMACO—KITCHENER, ONTARIO—CONTRACT—SMALL ARMS ANALYSIS AND EVALUATION

Question No. 973—**Mr. McKinnon:**

1. Did the Department of National Defence let a contract with Diemaco of Kitchener, Ontario, for technical services for small arms analysis and evaluation for $93,477 and, if so, is this in connection with the future family of small arms for the Canadian Armed Forces?

2. On what date will a future family of small arms be purchased for the Forces?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes.

2. It is the intention to introduce new small arms weapons in the mid-eighties.

NATIONAL DEFENCE—PURCHASE OF MICE

Question No. 974—**Mr. McKinnon:**

Is the Department of National Defence buying $15,402 worth of mice and, if so (a) how many mice (b) is this as a result of a request by NDMC and, if not, how was this need established?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

Yes. (a) Forty to sixty male mice three times a month for a period of 12 months for a total of approximately 1,800 mice.

(b) No. A supply of a special strain of mice is required in support of a research project in operational medicine at a Defence Research Establishment.

DIEMACO INC.—KITCHENER—CONTRACT—SPARE PARTS FOR SMALL ARMS

Question No. 1,052—**Mr. McKinnon:**

Did the Department of National Defence let a contract with Diemaco Inc. of Kitchener, Ontario, concerning spare parts for small arms for $154,653 and, if so, for which types of small arms?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Yes. The contract is for spares in support of 9mm pistols and 7.62mm rifles.

CARLETON UNIVERSITY—CONTRACT—OFF-ROAD PERFORMANCE OF TRACKED VEHICLES

Question No. 1,053—**Mr. McKinnon:**

Did the Department of National Defence let a contract with Carleton University for the development of a method for predicting the off-road performance of tracked vehicles for $363,408 and, if so (a) which off-road tracked vehicles are being studied (b) does the Department have a DRB or DRE section which is capable of performing this work (c) does the university have a department or research unit experienced in this field and, if so, what is its name?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Yes. (a) No specific vehicle. The method studied is for generic tracked vehicles. (b) No. (c) Yes. Transport Technology Research Laboratory.

[*English*]

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

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

Some hon. Members: Agreed.

Madam Speaker: Notices of motions for the production of papers.

Mr. Collenette: I would ask that all stand, Madam Speaker.

Madam Speaker: Stand. Orders of the day.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed from Thursday, June 26, consideration of the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I should like to take part in the debate on Bill C-3, to amend the Unemployment Insurance Act, 1971. The concerns I have regarding this bill are twofold; first, that it places the full onus for recovery of the benefits on the premium payers, those who suffer the effects of unemployment; and second, that it extends to 1982 the variable qualifications, and whether or not you qualify for unemployment depends on where you live in Canada.

The real concern I have is with regard to the placement of the total onus upon the premium payers, the people who are suffering the effects of unemployment, when it is actually the responsibility of the government. Locked into the legislation which was brought in in 1971 was a clause stating that once unemployment grows over 4 per cent it would be the full responsibility of the government to absorb the costs borne by people who suffer from unemployment. I think that that clause should still remain the same today. Unemployment of up to 4 per cent is reasonable, but responsibility for anything over that should be accepted by the government.

I do not know whether the Minister of Industry, Trade and Commerce (Mr. Gray) should be blamed for his ineffectiveness in dealing with the Canadian public and his inability to bring in an industrial strategy or some kind of an economic policy to keep people working, or the cabinet should be blamed for not allowing him to proceed with measures which would create work for the Canadian people or, at least, if not to create work, to allow people to hold on to jobs which they have right now. We are looking at higher and higher rates of unemployment each day as the auto industry is sliding into the greatest depression it has ever experienced. We see the ineffective measures of the government and the inability of the government to take action in western Canada where not only jobs are not created but jobs are taken away.

I think it is the responsibility of the Minister of Industry, Trade and Commerce to put the country back to work. We should not be looking to the lonely ministers in the west, such as the Minister of Employment and Immigration (Mr.

Axworthy), to bring in band-aid measures to help overcome some of the small problems, such as the four programs which he recently announced.

In the throne speech we were told that two main principles would guide us into the 1980s. One of them would be that Canadians would have to live within their means. I submit to you that we can accept that principle if Canadians have the means within which to live. If you look at people in Oshawa and Windsor, however, you find that they no longer have those means. They typify people in many other areas in Canada employed in other than the auto industry. I think that as Canadians we should try to live within our means, but only if we have those means. We do not need band-aid measures such as those brought in by the Minister of Industry, Trade and Commerce who is incapable of bringing in effective programs to help keep Canadians working so that rates of unemployment can be kept below 4 per cent. In areas of the country where unemployment is below 4 per cent, both workers and employers should be responsible for keeping that figure low, but in areas where unemployment reaches up to 30 per cent, there are other ways to provide employment.

What we were also told in the throne speech as being the main core of the Liberal government's program was that Canadians would have to accept the sacrifice of meeting the challenges of the 1980s. I think it is terrible that we in a country such as Canada have to make sacrifices. We have very much in terms of intelligent people who have a high degree of education. Also we can produce the necessary technology in order to have secondary industries owned by Canadians, and to process our resources. We are rich in resources as well. For those reasons, why should Canadians have to accept sacrifices? There is the sacrifice in terms of this bill which relates to high unemployment in Canada. High unemployment causes a lot of stress among families and the single unemployed person. The lack of income generated affects people with fixed incomes such as those on unemployment insurance and pensions. We should not have to accept sacrifices during the 1980s. We should have a high standard of living second to none anywhere in the world.

● (1540)

I think we will have to accept sacrifices because of people like the Minister of Industry, Trade and Commerce who is totally ineffective in answering questions sincerely directed to him in the House. Perhaps this forces the Liberal cabinet member from the west to cover the tracks of the Minister of Industry, Trade and Commmerce by bringing in temporary, short-term measures to give Canadians some sort of means within which to live.

We will have to make sacrifices because of foreign ownership in the country which takes away from Canadians, which has been condoned by Liberals and Conservatives in the House for many, many years.

Mr. Young: And the huge deficit.

Mr. Anguish: Foreign ownership amounts to over $75 billion. There is the huge deficit to which the hon. member for Beaches (Mr. Young) referred. Last year there was a spending deficit of $16,185 million. Going back to foreign ownership, it results in profits of over $4 billion leaving this country every year. If that $4 billion was kept in Canada by Canadian ownership, it could produce a lot of jobs so that maybe our unemployment rate would be held to 4 per cent or less, and then likely the employees and employers would be happy to contribute that amount in UIC premiums. I do not think the working public should have to contribute enough to make up for the incompetence of this government and its inability to meet the needs of Canadian people. Indeed, the sacrifices in the eighties which Canadians will have to face are very vast.

I should like to compare the plight of the Canadian worker to that of the Canadian farmer. The government has driven people from their jobs because the jobs cease to exist as a result of the poor economic planning of the government. The same thing is happening in western Canada, and perhaps in many parts of eastern Canada, but I am more familiar with the west. Farmers and people in the agricultural industry are being driven off the land. We talk about removing the Crows-nest rate. It is very crucial to Canadian farmers so that they can move their products from their farms to the markets at a reasonable and statutory cost that was locked in many, many years ago. It was to provide farmers and people in agriculture with a break.

The Crow rate has been paid to the railroads many, many times. The railroads have received concessions in terms of rolling stock and actual lines being paid for in subsidies from the government. As well, they received large holdings of lands, and now at least Canadian Pacific is a company which does not really care about moving the products of farmers to the markets. It cares more about the lands it received in concessions to keep the Crow rate. It has built huge real estate firms and travel agencies at a cost to the Canadian taxpayer and Canadian farmer. It no longer wants to accept its responsibility, in terms of the Crow rate, to move products to the markets.

Some say that if the Crow rate were removed it would help farmers because the rail companies would be more in tune with moving the product and would be paid a fair consideration for it. We in the New Democratic Party say that the rail companies have been already paid a fair price for moving the products of farmers. In fact currently they are paid subsidies from the Canadian government to move that product.

If the Crow rate were removed, there is no assurance at all that the product would be moved any more effectively than in the past and than in fact it is being moved today. For example, in the Battlefords-Meadow Lake constituency, to move a hundredweight of wheat to the ports would cost a farmer about 26 cents. For a comparable distance in the United States it would be six times that amount. It would cost farmers in the United States six times that amount to move it from their farms to the ports, and they do not have any better movement of grain or products to the coast. As we are driving workers from their jobs in many parts of Canada, also we are driving

farmers and people in agriculture off the land. The government will not give them the concessions and the fair breaks they should receive.

I should like to draw some parallels between the unemployed wage earners in Canada and the rapidly increasing unemployed from the farms. If we go back to the Speech from the Throne, it does not say anything about helping Canadian farmers or the transportation problem other than the fact that transportation is a vital part of the industrial strategy. There is one line about transportation in the Speech from the Throne. It is irrelevant because no one can really say what is the industrial strategy of this government. Although transportation might be a vital part of it, we would like to know the industrial strategy and how it ties to keeping people employed, so that the employment rate which is affected by this bill does not rise over 4 per cent as it is doing now. It should remain under 4 per cent because of the resources we have in the country.

In the throne speech, as well, there is reference to an agricultural export commission to expand Canadian markets, but we are not dealing with this now to keep farmers on the land, to generate income, and to have the spin-off of employing people across the country. Also it referred to a meat import act. Where is that meat import act now? What is it doing to protect the markets which are being flooded by beef? Those markets were threatened by the drought in western Canada not so long ago. It is already too late in some areas because the markets are being flooded by livestock, thereby driving the prices down low.

The Acting Speaker (Mr. Blaker): Order, please. With great respect, I have listened to the hon. member for some moments and I have heard him talk about freight rates, the Crowsnest rate, and livestock. I realize one of the most difficult rules of the House of Commons is the rule of relevancy, but even though the current bill is an amendment to an existing act, and even though the subject of unemployment insurance is a very broad one—and I recognize the fact that occasionally the hon. member refers to unemployed— I still think it is in order for the Chair to ask him to direct his attention to Bill C-3.

Some hon. Members: Hear, hear!

● (1550)

Mr. Anguish: Mr. Speaker, with all due respect I disagree with you. I am trying to draw a parallel between what this government is doing, what the Conservative party advocates and agrees with, and the farm population that I am familiar with as a member of Parliament who represents an agricultural constituency. The parallel is being drawn as to how this government and the Conservatives treat wage earners in this country, and I disagree with you, with all due respect, Mr. Speaker, that what I am saying is irrelevant to this bill. It is relevant to this bill in the parallel I am trying to draw, and at the conclusion of my speech I think the relevance of what I say will be obvious to you. I would ask you to let me proceed with the line I have been going on. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Order, please. There is no problem in respect of the hon. member proceeding. The Chair is simply making the request that the hon. member give some consideration to the rule of relevance.

Mr. Anguish: With all due respect, Mr. Speaker, I plan on making it very relevant at the conclusion of the parallel between the farming population, the things that affect them, and the working population. I will proceed with that and try to tie my remarks as closely as possible to Bill C-3, an act to amend the Unemployment Insurance Act.

As I mentioned at the beginning, the two things I disagree with are that the bill places the onus for recovery of benefits on the premium payers and, secondly, it extends the variable qualifications across Canada as to how many weeks one has to work to qualify for unemployment insurance benefits, depending upon the area in which you live, within Canada.

Before I was interrupted, when you called me to order, I was trying to respond by drawing a parallel between agriculture, how farmers are being driven off the land by the policies of this government, as advocated by the Conservative opposition, and how in fact people are being driven out of jobs by these people moving in off the farm, so that even fewer are able to earn an income to provide a living with some dignity. I used examples of the auto industry and how that industry was failing, as is this government, to support people in agriculture. There are quite a bunch of failures, as the hon. member for Beaches has indicated.

There was very little in the throne speech under the first topic which was designed to respond to individual needs. In this regard we feel the government should have brought in long-term job-creation measures in order to employ Canadian people, thus reducing unemployment. There should be a policy and a program on the part of this government to reduce unemployment, working toward full employment, rather than having true unemployment figures in some areas as high as 30 per cent. We think it is realistic to hold the unemployment rate at 4 per cent or less.

What has this government done in responding to individual needs? It has raised the guaranteed income supplement to old age security by $35 a month per household. Indeed, this is a noble gesture and it will put some money into the economy, but it does not respond to wage earners in the country in terms of creating jobs. All this does provide is the means within which people must live. Even at that, many old age pensioners and others receiving benefits from the guaranteed income supplement still live well below the poverty level. I think it is disgraceful that this government cannot enact policies and programs to put these people at a decent standard of living.

Having regard to the affirmative action talked about in the throne speech, that is all good and well, but the affirmative action on the part of this government in terms of giving women their rightful place in the private and public sectors has not been accomplished. Many studies have been conducted which

have looked at the need for women to play a meaningful role in the work force, but no significant improvements have been made. We have had calls in this party to compile the results of all those studies directed at increasing employment for women in the work force, and we have concluded that this has not happened.

Certainly the first part of the throne speech, which refers to a response to individual needs, has not in fact responded to the individual needs in the area of unemployment, to which Bill C-3 is addressed. One area to which the government should be responding in order to provide employment for people is that area involving energy supply. That is the second subject talked about in the throne speech, specifically the achievement of security of supply at a fair price for all Canadians. If this in fact were accomplished we could employ many more Canadians, many of whom are left in the ranks of the unemployed as a result of the failing auto industry and the timber industry in many parts of the west, to say nothing of those people who are being driven off the farms.

Petroleum product costs have been raised to such a high level that farmers are now receiving in some cases less for their products than it costs to produce them. As a result we are putting them in the ranks of the unemployed as well. I think this area of energy supply must be developed.

Members of the Liberal party have talked in this House about a made-in-Canada price. What they refer to is not really a made-in-Canada price. What has been talked about in this House by members of the Liberal government is a subsidy price, a price at which we sell our products in the west with no real recognition by the federal government of fairness. We import petroleum products in the east, therefore subsidizing the cost. This is not a made-in-Canada price, it is a subsidized cost to those in the east, and a rip-off price to many of those people in the west.

For example, in Saskatchewan we could create many more jobs and virtually have an unemployment rate of zero, if only the federal government would look at a true made-in-Canada price. This could be achieved by putting in a heavy crude upgrading station somewhere in northwestern Saskatchewan. This is something I have worked on with the Northwest Economic Development Council and the Saskatchewan Oil and Gas Corporation. We have attempted to produce a program whereby we could process heavy crude in northwest Saskatchewan.

Perhaps many members of this House do not realize that at the present time western Canada has to export heavy crude oil, particularly in Saskatchewan, because there is no upgrading station there. This heavy crude crosses the border into the United States where it is processed and brought up to a grade we can use. As a result, the government of Saskatchewan has to pay an export tax of $500 million per year to the federal government. If this upgrading station were put into place in northwestern Saskatchewan we would not have to export this heavy crude. It could be processed in northwestern Saskatchewan, creating many more jobs in that area, virtually eliminating unemployment, or maintaining unemployment at a rate below 4 per cent.

Unemployment is very low now in Saskatchewan because of the sound management of Premier Allan Blakeney and the NDP in that province. With unemployment remaining below 4 per cent this would help the rest of Canada. I do not think employers and employees would then mind absorbing the total cost of benefits to the unemployed becaused they would be very low.

We could create jobs in this country by doing something the NDP advocated during the recent election campaign. We said a pipeline should be built from western Canada to eastern Canada, at least to Quebec City where refining facilities already exist. There are pumping facilities in place there as a result of the importation of petroleum products. This was talked about in the throne speech, but where is the action? This would also create many jobs, not only in Saskatchewan, Alberta and western Canada, but for people throughout Canada. This could be done by building the pipeline in all those provinces it would cross, as well as in the area of the distribution in eastern Canada of the oil and gas now being produced in western Canada.

• (1600)

We would begin to establish a made-in-Canada price when we stop Alberta from exporting its trillions of cubic feet of natural gas to the United States, which could be used by Canadians first. Let us take an inventory of our energy supplies, whether it be nuclear power, hydro power or power produced by petroleum products, such as natural gas or heavy crude, and see what we have. We must look to our own needs first, and export what we have left over. Such a move would create jobs and help to keep the rate of unemployment down, and it would help to replace the jobs which are rapidly leaving because of the auto industry closing down.

As was outlined in the throne speech, we should be moving more homes to natural gas heating. Such a conversion in itself would create jobs. Most important, we must look at the role that Petro-Canada should play in the petroleum industry of this country. The government stated in the throne speach under the second item that it wanted to achieve energy supply at a fair cost to all Canadians and that Petro-Canada should be maintained and expanded as a Crown corporation.

The New Democratic Party agrees with the government on its approach to Petro-Canada. We, in fact, forced the Liberal government in 1972 to establish Petro-Canada. We agree with the Liberal government that Petro-Canada should be expanded and that it should be retained as a Crown corporation. However, the government is not moving totally in the right direction with regard to Petro-Canada. The government said in the throne speech that Canada should gain 50 per cent ownership of the petroleum industry by the year 1990. This is not enough now, nor was it enough in the past. It is better than it was, but it is not good enough.

For example, in 1978 we owned 1 per cent of the petroleum refining industry in Canada. When you only own 1 per cent of

something and 99 per cent is owned by industry outside our borders, it is hard for the government to plan jobs for Canadians in an industry over which it has no control. Foreign companies take advantage of our people and resources and export our jobs, because if the money leaves our country then the jobs will leave our country.

We feel that in order to have a program to increase employment and decrease unemployment, the government must look at all the areas of the petroleum industry and increase the Canadian content therein. It must look at exploration, refining, and wholesale and retail sale of petroleum products within the country. In the area of exploration of petroleum products, Canadians must be involved in the industry, because we cannot rely on the information which is presently available.

What I am about to say may deviate somewhat from the bill, but it is a very important part of the economic and industrial strategy that should be used to overcome the unemployment problem. In the past the information we received was not relevant to our planning needs to keep Canadians working. For example, I believe it was the annual report of Esso in 1973 which said, "Don't worry, Canadians; we have enough gas and oil to last us for hundreds of years". I believe that the figure used was 298 years. However, in 1975 the same company told us that we are in an energy crisis, that it must be given more money so that it can go out and look for more gas and oil. Is that the kind of information we need?

If what Imperial Oil said in 1975 was truer than what it said in 1973, then the company miscalculated by 296 years. We cannot plan jobs for Canadian people if we must rely on poor information such as Imperial Oil gave us. As I mentioned earlier, Petro-Canada should be involved in the area of refining. We should gain some control over the refining industry, which was 99 per cent foreign owned in 1978, and the ratio is not much better now. Such a move would create hundreds of thousands of jobs for Canadians. We must get Petro-Canada involved in the refining industry.

We also feel that the wholesale sale of petroleum products is a very important part of Petro-Canada's role in providing jobs for Canadians. This can only be done by a Canadian company which has the interest of Canadians at heart and does not operate on the profit motive alone. The reason we think that wholesale sales are very important is that when the true energy crunch comes, which will in fact come some day—we do not know when because we do not have that sound information yet—the foreign owned multinationals will not sell to the little service stations at Uranium City, Beauval, Canoe Narrows, Meadow Lake or Burnaby. They will sell where they can get maximum profits, such as their own service stations in the larger centres or, even worse, to other countries which have no gas and oil left.

These oil companies will sell to these countries for the highest possible dollar which these countries will be willing to pay, because they have no remaining gas and oil, and they will distribute their petroleum products in an inequitable fashion. It is necessary for Petro-Canada to become involved in the wholesale sale of petroleum products, so that we can assure Canadians of a supply of petroleum in the future as long as the supply lasts. With such control we could also assure Canadians in remote areas of the country or even in the metropolitan areas, that they will in fact have energy supplies to get to their jobs and to keep them under the 4 per cent unemployment rate that should be available to Canadians, not rates which run up to 30 per cent.

The final item I would like to mention with regard to Petro-Canada is involvment in the petroleum industry retail sector. The reason that Petro-Canada should be involved in this sector is because when Canadians pull up to the pumps on the way to the jobs which they should have they would have a choice to buy either Canadian and keep their money within Canada, or to buy from one of the large multinational corporations and have their money leave the country, which amounts to the exporting of jobs.

When the money is sent out of the country, instead of being kept here, it is the same as sending jobs outside Canada, jobs which we need here at home to keep us under the 4 per cent employment rate. I am sure that the employers and the employees would be happy to pay for it. The choice is very clear. Canadians should be able to buy from Petro-Canada, a Canadian owned Crown corporation established in the interests of the Canadian people, the Co-op Stations which are currently 100 per cent Canadian owned, or from a multinational, but in doing the latter they will only help to worsen the economy of this country. That should be the choice. That is the area on which I want to talk with regard to the energy supplies of this country. Unemployment in this country is a disgrace. People who have the ability to pay are not the ones who pay. The rich should pay, not the poor small business people who are the backbone of the Canadian economy.

Mr. Paproski: A Marxist-Leninist.

Mr. Anguish: I was looking for some attention from the Conservatives, Mr. Speaker, so it would give some stimulation and allow me to go on to make the full thrust of my speech meaningful.

Mr. Collenette: Speak to the bill.

Mr. Anguish: The small business people are the backbone of this country. It is the working people or the wage earners who make them a viable operation. The NDP is the only sound spokesmen, spokespeople or spokespersons for the small business of this country.

Mr. Paproski: A Marxist-Leninist.

Mr. Anguish: The hon. member for the Conservative party is making remarks which I believe are unparliamentary, Mr. Speaker. Will you not call to order the three members of that party who are sitting in the House and using slanderous language, and who do not know what they are talking about? They are much closer to the Communist party than the Marxist-Leninist are to the NDP. I have explained that in previous speeches I have made to this House. I am glad that the Conservative member brought the matter up. I would like

to say that it should be the rich who should pay for the unemployment which they create.

If hon. members would like the article that I have here—

Mr. Paproski: Mr. Speaker, on a point of order, I would hope that the hon. member would attempt to be a little more relevant in his remarks. He has used a slogan which was used in the last election, that is, "Make the rich pay". That was a slogan of the Marxist-Leninist party. If he wishes to use it that is okay. However, I do not like to be called a Communist. We must draw the line there because I do not think the hon. member knows the difference between a Communist, a Marxist-Leninist, the CCF or the NDP. I think they are all the same.

• (1610)

The Acting Speaker (Mr. Blaker): On the latter part of the hon. member's point of order, I am sure we agree that it probably does not qualify as a point of order.

On the former part in which he expressed the hope that the hon. member be more relevant, I have already drawn that point to the attention of the hon. member. He does have a relatively short time left, and perhaps he might like to remind himself of the rule of relevance again.

Mr. Anguish: Thank you, Mr. Speaker. I was sure that I was not out of order.

I think that the people with the ability to pay should be the ones to pay. I have before me a copy of a list of directors of Canadian Pacific Limited. The chairman and the chief executive officer of Canadian Pacific Limited is Ian D. Sinclair who receives, in his capacity as the chief executive officer of that large corporation, in excess of $600,000 per year. That is shameful, Mr. Speaker. People like that have the ability to pay. The poor small business people of this country who I mentioned are the backbone to the success of our economy, and the wage earners who work for them do not. Not only is that shameful, but Mr. Sinclair is also the chairman and chief executive officer of two other companies. He is the president of another company; he is the vice-president and director of three other large multinationals, and he is the director of 18 others. He receives remuneration for all of those positions. It is unbelievable that one person could earn so much. Most of it comes from political patronage, but that is irrelevant. Those are the people who should pay for the high cost of Canadians being unemployed.

I would like now to return to Bill C-3 and refer to the Speech from the Throne. The third item talks about Canadian ownership and control of the Canadian economy. We do not have much Canadian control or ownership of our economy because of the current policies of the Liberal government and the former policies of the Conservative government. There have been no attempts made to get control of the Canadian economy. There has been no attempt to do that, just as there has been no attempt to gain control of the spending that has gone wild under this Liberal government, together with the spending deficits which have increased for many years now.

This government will choose to talk about something called the Foreign Investment Review Act. How is this going to help Canadians gain control of the economy? Those Canadians such as members of the New Democratic Party who have a sincere interest in keeping Canadian people employed and not varying their benefits when they become unemployed in such high numbers across Canada want to know how this bill will help. These people do not know what their qualifications are from month to month to qualify for a program that an individual pays into and subsidizes totally, which is what this government advocates.

Small business has trouble dealing with this government. Many small businesses go bankrupt, just as many farmers have been driven off their land. We think that that is disgraceful. The government would rather place its priorities on a spending deficit in excess of $16 billion—

The Acting Speaker (Mr. Blaker): Order, please. I have to inform the hon. member that his time has expired.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I have only three points to make in regard to Bill C-3. I wish to make these because I was unable to be in the House during the past debate. At that time I was conducting a housing tour in the maritime provinces where, as hon. members know, unemployment is at an all-time high.

My colleagues have said in other speeches that we reject this bill out of hand. It does nothing to help the whole problem of unemployed or the plight of the unemployed in Canada. It shifts the cost of unemployment insurance from government to employers and to employees. Indeed, it shifts the cost of unemployment insurance on to the backs of working people instead of dealing with the problem from the point of view of government, which is largely responsible for the massive unemployment that we have in Canada today.

The three points that I wish to refer to have to do particularly with the way this bill and the general unemployment insurance program affect women and young people in Canada. First is the whole question of the rights of part-time workers to unemployment insurance. Second is the question of workers, particularly women, who often work as partners in family businesses with their spouse. Third, I would like to refer to the scandalous revelation by the former minister of employment who is now the hon. member for Lincoln (Mr. Mackasey), which I read about in the Vancouver *Sun* for June 18.

First of all, I shall deal with coverage of unemployment insurance benefits for part-time workers. Apparently from the debate on this bill we have seen a change that would reduce the coverage of unemployment insurance benefits from a requirement of 20 hours of work to 15 hours of work. If I may use the term it is a rather pointless reduction because it does not get at the main issue. If this is an insurance scheme paid into by employers and employees as well as government, surely the benefits should be available regardless of the number of hours that a worker works? What difference does it make whether a worker works ten hours, 15 hours or 20 hours a month if the worker has paid into the scheme? Surely if the

workers are unable to find further work for the full amount of time—and unfortunately this is the case in so many instances today—they are entitled to the benefits to which they have contributed?

In addition, if we are looking at this from a humanitarian point of view, it would seem to me that persons who are unable to find full-time work and who can only work part time must have a much harder economic situation than those who have full-time work.

I would like to mention also that part-time workers in Canada today are more often than not women and young people, and are usually the last hired and the first fired. Many women who have not been in the work force and who perhaps have children at home are only able to get part-time work. They need employment in order to survive. I know of many women workers in my riding who are raising children on their own and have perhaps been on welfare for a number of years because they have had no other choice at a time when their children are young. Their first step back into the labour market is to find part-time work. They are lucky if they can find it. But if they do, surely they should have the right to unemployment insurance for that work? This is an extremely important point, and I hope hon. members who represent the other sex in this House will listen, because it is very difficult for many women who have not had much work history to gain confidence and skills, and find the opportunities to get back into the work force.

● (1620)

While on the question of part-time work, I want to stress that wages for part-time work should be union wages. There is no way that women and young people should be exploited, receiving less than union wages, simply because they are unable to find full-time work. In my riding, the following kinds of workers can only find work part of the year: construction workers, painters working outside, many of whom I know personally, sales persons, many of whom are women and young people, only able to get jobs on a part-time basis. Some young people are lucky enough, if you can call it lucky, to get a job at McDonald's, dishwashing or doing something like that for certain periods of time.

These people pay unemployment insurance. Why should they not be able to collect? There are also the farm workers, the many seasonal workers at this time of the year. Fisher people are hit very hard this year by the lack of hours and days for fishing and the drastic problem of the reduction in fishing stocks.

In times of high unemployment, and unfortunately it is increasing year after year rather than being reduced, part-time jobs take on a special significance. It is really the only thing that many people are able to get. Surely that is better than being on welfare, the payments that many people have no other choice but to receive. However, most people on social assistance, and I know many of them, would far rather be working. They would consider part-time jobs at a decent rate of pay if they were able to get unemployment insurance benefits when those jobs were phased out. With regard to Bill C-3, I hope the minister will take another look at the whole question of coverage of part-time and seasonal workers and ensure that they have their just right to unemployment insurance benefits.

There is a second group I want to mention, and here again this often concerns women. I refer to spouses who work with their mates or partners, be they husbands or wives, who are not eligible for unemployment insurance. I wish to cite the example of five fisherwomen who had a very painful but interesting experience when challenging their right to be covered by unemployment insurance.

These five fisherwomen, with the support of their union in British Columbia, challenged in court in 1979 their right to be covered by unemployment insurance benefits. These are women who go out with their husbands in any kind of weather. They work very hard as equal partners on fish boats. They were denied the right to unemployment insurance, and challenged this in the courts.

It is interesting to note that these women won their case the first time round. They won their right to unemployment insurance in their own name as workers who worked very hard in the fish boat industry. What happened? The very organization that should have been trying to protect their rights and ensure that they received unemployment insurance benefits, moved to challenge this legal decision. The Minister of Employment and Immigration (Mr. Axworthy), interestingly enough, is also the minister responsible for the status of women. It was his department that challenged this legal question and brought it back into the courts, in effect saying that these women should not have the right to unemployment insurance.

We feel very strongly about fisherwomen and others who work together in businesses. We know that tax exemptions were brought in initially by the Conservatives, and more recently by the Liberals, to allow tax exemptions for those wives who work with their husbands. Why not have adequate coverage for unemployment insurance benefits for those spouses who work as equal partners in family businesses, including the fishing business? We should ensure that definitions under the act include such workers, so that they should not be excluded under the act for unemployment insurance benefits.

Finally, I wish to refer to the very scandalous revelation made in this House on June 18 and June 19, as reported in the Vancouver *Sun*. The revelation was made by a former Liberal manpower minister, the hon. member for Lincoln. According to those I have heard from in my constituency, this was a shocking and scandalous revelation. It is a reflection on the hon. member when he was minister. I wish to quote three or four paragraphs from the June 20 edition of the Vancouver *Sun*. The article is headed "Mackasey Reveals Old Jobless Plot In UIC". I quote:

Former Liberal manpower minister Bryce Mackasey revealed in the Commons Thursday that during the 1970s the government orchestrated a campaign to

highlight alleged abuses of the unemployment insurance program so it could justify a crackdown on UIC benefits.

Here we have the minister admitting that the government orchestrated a deliberate campaign to scapegoat unemployment people.

The campaign was launched after federal officials badly miscalculated unemployment levels, Mackasey said, and it made scapegoats out of thousands of people who were out of work through no fault of their own.

Imagine the former minister admitting this to the House of Commons.

Mackasey, who was responsible for the unemployment insurance program at the time, said his senior civil servants predicted an unemployment rate of 4 per cent when he brought significant changes to the system in the early 1970s.

But when unemployment began to climb well beyond that point, officials scrambled to find ways of amending the Unemployment Insurance Act to shift more of the financial burden of the program to employers and employees.

Referring to his own officials, employees, civil servants of Canada, he said:

"They were not honest enough to admit they had miscalculated and had not anticipated a long period of five, six, seven or eight per cent unemployment in the country," he said.

"Instead, they set out to condition the people by telling them that the changes were needed because of abuse in the system."

These were our young people, sons and daughters of the people sitting in this House. These young people were trying to get work, they were probably only able to get occasional jobs, had to go on unemployment insurance, and became the scapegoat. A national tradition was set up which established for a whole generation of young people that they were shiftless, lazy, no good, and did not want to work. This is a federal department, headed by a minister who knew about this, actually creating this condition in Canada. It is absolutely shocking.

The former minister went on to say:

"It was difficult for me to accept the fact that in preparing the groundwork for their amendments they had to stigmatize hundreds of thousands of people by suggesting they would prefer to draw unemployment insurance rather than work."

That is absolutely shocking. Every Canadian would be ashamed that their government would do this. At least it is now being admitted by the former minister. It is proof that there were cut-offs, injustices, deliberate exploitation and scapegoating of unemployed workers, many of them women and young people, during the period 1972 to 1978 in particular. These people were cut off unemployment insurance benefits wholesale. They had a right to receive these benefits. They were cut off and told that they were lazy and no good, merely to cover up the civil servants' inaccurate prediction, and because of the budget restrictions that the commission was facing.

We have heard of unemployed people who could not find enough money to buy bread for their children, and of ex-policemen, employed as benefit control officers, going into their homes and conducting interviews in a way similar to Gestapo tactics. I am ashamed, Mr. Speaker, and I would hope that most members of this House would be ashamed, to think we ever went through that kind of an era. I stress once again that the people who were most victimized, who could not find full time work, were women, married women, immigrant women, single women and, as well, many young people. These were the people who were told they had no rights as Canadians to employment and that they had no right to unemployment insurance. They were told they were a bunch of lazy no-gooders. We are not going to allow this kind of crack-down to take place in the future. I say again that the administration of the Unemployment Insurance Act by this government must make very sure that this kind of thing does not happen again.

● (1630)

Finally, Mr. Speaker, we say that the bill is not adequate. It should provide for universality. The plan should cover all workers regardless of occupation, whether they are employed by someone else or self-employed, and regardless of income. Entitlement should depend solely on meeting the requirements of a person having worked—not even having worked the number of weeks as now stated. They should have worked enough to have justified the money they put into the scheme, being currently able to work. There should be no special requirements used to discriminate against certain groups. My colleagues have spoken before on this point, but I remind the House again that women who are pregnant have every right to unemployment insurance which they have paid for through their own contribution.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to speak on Bill C-3 which is before the House today for second reading, to discuss some of the principles which lie behind this bill and to explain some of the reasons why we in the New Democratic Party are strongly opposed to those principles.

The bill itself is a deceptively small and simple one. I believe it contains some two pages, and if we look at it quickly we might think, as the minister suggested, that we should just let it go through quickly. But we believe it is important that Canadians be aware of exactly what it is this government is attempting to do with unemployment insurance, and that they be made aware of the fact that this is but one in a series of steps in an attempt to justify the bankruptcy of Liberal economic policy.

If we look at the principle of this particular bill, and if we look back at the original legislation which was passed in 1971 which established the principles upon which our present unemployment insurance system is based, we see the following. We see that in 1971 the hon. member for Lincoln (Mr. Mackasey) was the minister of employment and immigration. He identified certain principles which he believed were important and which, presumably, the Liberal party believed were important, in setting up a fair and equitable system of unemployment insurance. What was that system, Mr. Speaker, and how far have we come since that original system of unemployment insurance was implemented back in the Liberal heyday of 1971?

The original figure was established at 4 per cent. Beyond the level of 4 per cent unemployment the government accepted that it had certain responsibilities; that it was not the responsibility of workers and employers to pay the costs of an econom-

ic system which tolerated unemployment beyond the 4 per cent level, but that the government surely had some responsibility also. The government have the tools to control the economy at its disposal and, presumably, with unemployment beyond 4 per cent, had failed to bring in measures which would deal adequately with a very serious crisis.

I would like to quote from the speech made by the then minister of employment, now the hon. member for Lincoln, in dealing with the establishment of this 4 per cent ceiling. He said this, Mr. Speaker:

> Since the figure of 4 per cent has attracted a good deal of attention I imagine somebody is going to suggest that the government has determined 4 per cent to be an acceptable rate of unemployment in Canada. Well, it is not my criterion. Like everybody else I believe the acceptable rate of unemployment is the least possible rate. This is what we should be working toward. This should be our goal as a country.

The hon. member for Lincoln went on to say this:

> Our system is really on trial if we cannot operate on the basis of lower rates of unemployment than have been traditional, particularly in the light of the fact that the working force is growing at a tremendous rate.

Indeed, Mr. Speaker, our system was on trial at the implementation of this unemployment insurance scheme in 1971, and we have seen beyond doubt that our economic system which was on trial then has failed miserably to meet the needs of Canadians, to meet the needs of women and men, of young and old in this country. The great economic system which was said to be on trial in 1971 has been a dismal failure. We have seen, for example, rates of unemployment increasing in every year since those glowing words of the hon. member for Lincoln.

That was not all the hon. member for Lincoln has had to say on the subject of unemployment. From the safety, perhaps, of the government's back benches and since he apparently no longer has any aspiration for a cabinet portfolio, the hon. member has "come clean"; we have seen him attempting to atone for his guilt over the disgraceful way in which working people in this country have been made victims of an attempt to tighten up the unemployment insurance. The hon. member for Lincoln has indicated that it was the working people of this country who had no jobs who were being blamed for their own situation. Imagine, Mr. Speaker, blaming the unemployed for their own plight. We have seen the hon. member for Lincoln admitting that while he was minister this was indeed the case.

In that moment of truth, that moment of guilt which occasionally hits even members on the opposite side of the House, the hon. member said this, on June 19, referring to the Liberal party and the official opposition:

> Either by coincidence or design, prior to every one of these amendments we had a well-orchestrated campaign based on the alleged abuse of the plan thus preparing and conditioning people for the amendment and supposedly aimed at reducing the abuse or tightening the regulations when in fact the main purpose of most of the amendments was to shift the financial burden from the government because of unemployment in this country to the employer and the employee.

As an example of this kind of cynical attack on the unemployed in this country we need look no further than the remarks, for example, of the hon. member for Sarnia (Mr. Cullen), who has referred in the past to the unemployed people in this country perhaps needing a "kick in the gut"—a kick in the gut—as a means of awakening them to the realities of unemployment. Then there are references to "the many people who make unemployment a way of life". Well, Mr. Speaker, even if there undoubtedly are some individuals who abuse our system, for every person who abuses the system there are ten or 20 or 50 who genuinely and desperately are seeking employment, and to single out the very small number of people who are abusing our unemployment insurance system in an attempt to make those who are genuinely in need feel guilty, is a disgraceful attack upon people who cannot possibly fight back.

Those were the principles which were established in 1971. The government accepted that it had a responsibility for the running of the economy and that any unemployment beyond the 4 per cent level would be paid for by the public purse. There would then be some incentive, Mr. Speaker, for the government to lower rates of unemployment or attempt to deal with the rates of unemployment that were created. What we have seen since 1971, culminating in this bill today, is a progressive erosion of the principles of unemployment insurance the likes of which have not been seen in any other western industrialized country in the world. Of course, we hear the party to my right, the Conservative party, saying, "Carry on with this; continue to attack those people who can least afford to fight back; continue to attack women and young people who are trying to find jobs but have no jobs to find."

• (1640)

Both the Liberals and Conservatives speak about some concept known as moral hazard. We often hear comments from certain members on the benches to my right about the moral hazard element of unemployment. It is suggested that beyond a certain level of unemployment insurance benefits, somehow people will come flocking, that there are jobs which are going begging and that people are gladly and voluntarily taking their places in the indignity of the unemployment insurance lines. We reject that, and we say that the economy has failed the people of Canada to the tune of some one million people who desperately want to work and cannot find jobs.

What kind of cynical shell game has been played since 1971 with the people of Canada? The original level of "acceptable" unemployment was 4 per cent of the work force. In 1976, when unemployment rates were increasing dramatically as a direct result of the failure of Liberal economic policies, there was a redefinition of this "acceptable" level. Canadians were told that working men and women would have to pay even more, from their own pockets, of the costs of the bankruptcy of Liberal economic policies, to the extent that now something in excess of 7 per cent unemployment is paid for by the people of Canada.

It is very easy to say, in the case of big business, that they can pass their costs on. Indeed, big businesses do pass their costs on. When premiums are increased, big businesses have no difficulty, in their quasi monopolistic position, in passing these on, so that once again it is the worker or the consumer who must bear the brunt of Liberal economic policies.

In the case of smaller businesses it is much more difficult. In many cases they are simply not able to increase their prices, and what this means is that smaller businesses are going bankrupt to a much greater degree than they have been for many years.

In 1978 the Liberal party continued this policy of shifting the costs of the burden of unemployment to the unemployed and to working people by making workers pay the second phase, the labour extended benefits. What do we have today? What do we see before us in this apparently innocuous two-page bill? We see an admission on the part of this government that it has no responsibility. We see a declaration that this government refuses to accept responsibility for levels of unemployment at any level—not 4 per cent, not 6 per cent, and not 8 per cent.

What this government is telling working people, the poor, women and young people, is that they have to pay the costs of the government's bankrupt economic policies. As the hon. member for Lincoln said, this system was on trial in 1971. Well, as we have seen, the system has failed to meet the needs of Canadians, to the point that now the government is rolling over telling working people that it has no responsibility for unemployment.

The real reason for this bill was stated by the minister in a few words, namely, that in the spirit of restraint it is to save some $378 million. While this may save $378 million from the general revenues of Canada—perhaps to enable us to buy one or two more fighter aircraft—what is happening is that working Canadians are being forced through increases in their premiums to pick up the difference.

Mr. Young: Hidden taxes.

Mr. Robinson (Burnaby): It is a hidden form of taxation, as the hon. member for Beaches (Mr. Young) rightly points out.

The extent of unemployment is very great indeed, even in the official figures. The most recent figures are from May of this year, and they show that in Canada there were an estimated 904,000 Canadians out of work. That is the official figure.

Some 431,000 Canadians between the ages of 15 and 24, and some 145,000 Canadians over 45 years of age, want to work but cannot find jobs. Of these 904,000 workers there were some 399,000 women, including 186,000 under the age of 24 years. The unemployment rate for the whole of Canada was some 7.8 per cent by official figures, 13.9 per cent for those between 15 and 24. The rate for those between 20 and 24—and in many cases these are students who are entering the labour force for the first time and cannot find work—was 12.9 per cent and, as we know, these students are entering the labour force for the first time and in many cases are not eligible for unemployment insurance. They are caught in that vicious trap. They have been to school. They have gone out to the work force to try to find work. They have been unable to do so, and they have had to suffer the degradation of being forced to go down and get into the welfare lines.

What kind of treatment is it to say to young people, after their having gone through a number of years of training, which in many cases has involved considerable sacrifice on the part of parents or relatives in putting these students through school, "Sorry about that, boys and girls, but this economic system has no place for you"? We tell them that the appropriate place for them is on the welfare rolls, and for how long one can only speculate.

One million plus Canadians are out of work, but I believe it is important that we not forget that there is a very strong personal dimension in these figures. I know that all members of Parliament have seen many cases in their own constituency offices. Every time I go back to my riding of Burnaby, I find that people telephone my constituency office. We hear from women, young people, and heads of households. We hear from the man who has just been told that he is being laid off after 20 years of work.

We must also be aware of the personal sacrifice and the personal toll taken as a result of unemployment. We have heard the eloquent words of Gerry Yetman of the province of Nova Scotia, for example. He is the leader of the Nova Scotia Federation of Labour, and at a recent federation convention he read out the suicide note left by a man in his fifties who had been laid off from his job and who had searched desperately for some alternate employment. He had eight children, and one day those children came home and found a note left on the kitchen table by their father, who said he felt he was a burden, he felt humiliated and that he could no longer go on because he could not find a job.

How many other tragedies are there? How many other personal tolls are there as a result of the failure of Liberal economic policy over the years to deal with this tragedy of unemployment, which surely must rank number one in this country? Inflation is a serious problem, of course, but if we are to identify above all one symptom of the economic crisis which members of the Liberal party, followed by members of the Conservative party, have foisted upon the people of Canada, that problem must surely be the fact that over a million Canadians who want to work cannot find jobs.

We see the crippling effects of unemployment on the morale of the individual, the effects of sending out letters day after day to various employers, of attempting to answer ads in the newspaper and of the letters which come back, those anonymous letters sometimes addressed politely "To whom it may concern". Occasionally there will be a letter addressed to whomever has applied for a job, informing him that, "Thank you very much, but your services are not required". These letters come in day in and day out. What effect does this have on the morale of a man or woman who has been working for many years and who has a family to support but whose unemployment insurance has run out? What effect does this have on the morale of the family of that individual as well? Too many of these people have given up all hope of finding work, and the blame for that rests squarely on a succession of Liberal and Conservative governments, both federally and provincially.

What about the young people in this country? What about university students, students at technical institutes and vocational institutes who were promised when they finished high school, "Well, John or Jane, what you have to do is go to university and get a degree, and if you get a degree there will be a job for you"? There is a very fine university in my constituency. Simon Fraser University has some 9,000 students. The B.C. Institute of Technology is in my constituency, as is the Pacific Vocational Institute, so I have had much personal experience with some of the problems that young people who have graduated from university are encountering.

• (1650)

I want to say that recently I attended the convocation ceremonies at Simon Fraser University and I had the opportunity then to speak with many of the students graduating from that fine university. Too many of those students, when I asked them what their plans were for the future, shrugged their shoulders and, in many cases, with an air of despair, said they simply did not know. In many cases not only students but, as I indicated earlier, their parents have sacrificed a great deal to put their children through university or through another educational institution, and they find that there is no pot of gold at the end of the rainbow, there is nothing to the great myth of a job at the end of the road. After those sacrifices are made and the education is completed, we tell them there is nothing for them. We tell these people who have skills to offer and who desperately want to work that we have no place for them in this society.

I tell these graduates of the Simon Fraser University, of the B.C. Institute of Technology, and of the Pacific Vocational Institute, to ask Liberal cabinet ministers and Liberal members of Parliament what their policies have done for those young people, how their policies have assisted those young people in finding jobs. Let them ask what kind of disgraceful policy it is to uncover, as we have now learned through the hon. member for Lincoln that, as has been suggested by the hon. member for Sarnia and others, people who have somehow taken advantage of the unemployment insurance program need, perhaps, a kick in the gut.

Mr. Cullen: Mr. Speaker, I know that the hon. member does not honestly wish to mislead the House, but let me say to him that that statement was never made by me about youth or about anybody in Canada. I indicated in an interview that Canadians had not had a kick in the gut the way the Americans had, who had to line up for gasoline. At no time did I make that reference to the youth or to Canadians.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): I recall vividly the incident to which the hon. member referred. Indeed he did refer to the fact that Canadians have not had a kick in the gut, the inference being that perhaps that was what we needed. I say to Liberal members opposite that that is the only reasonable inference that can be drawn by the unemployed. When the former minister of employment and immigration said that Canadians have not had a kick in the gut like the Americans have had, what kind of inference can be drawn in this context by the people about whom we are talking, people who are out of work? Whether or not he intended that, I can tell the former minister that it was certainly the implication which was drawn by many people who were in the unfortunate situation of being out of work. If Liberal members opposite, who are laughing in glee at this situation, can stand up and explain how Liberal economic policies have done anything whatsoever to alleviate unemployment in the country, I would be delighted to hear them at the conclusion of my speech.

As I said, the election in the future will tell a different story. Canadians see very clearly that there is no difference between the economic policies of the Liberals and the Conservatives. I have a very interesting document here—

An hon. Member: Next time Burnaby.

Mr. Robinson (Burnaby): There is a suggestion made by an hon. member opposite. I invite the hon. member with an open mind to run in my constituency in the next election campaign.

I have an interesting document which I would like to draw to the attention of the House since we are talking about economic Liberal and Conservative policies, and once again I would welcome comments from Liberal members in particular at the conclusion of my speech on any differences there might be between the two. This is a document which has been circulating recently among caucus members of the Liberal party which is intended to be a policy statement at the Liberal party convention which is to be held in Winnipeg. Of course we know that the Liberal party has always been somewhat short on policy, and we see that the authors of this Liberal document have expressed some concern about the fact that at this point the Liberal party has no policy. For example, at page three of the document—I say this in the context of this important bill on unemployment, Bill C-3—it is stated:

> As Liberals, we have a feeling for who we are and what we stand for, but we have often been hard put to describe it.

Surprise, surprise! It goes on to state:

> A statement of the Liberal philosophy in one document, together with the application of the philosophy to the central issues facing Canadians today and the years ahead, would be of great value.

We have here an admission that there is no Liberal policy in this country so far. Instead, we have what I, as well as others, called on occasions a finger-in-the-wind policy. In other words, a good Liberal sticks one finger up in the air and feels for the prevailing winds, and from whence those winds come so also come the policies of the Liberal party. So when the winds shift slightly in direction, we see the Liberals shifting in their policies. That would be fine if, as one hon. member is feebly yelling from the back, it were the will of the people. The problem is we have seen far too often that the winds which we are talking about are the winds of the establishment, the winds of the corporate elite, the winds of those people who financed the party opposite, because we have seen all too often that he who pays the piper calls the tune, and those who pay the Liberal piper are none other than that corporate establishment

which blows the winds which are then transmitted into Liberal policy, or lack thereof. The winds of change are coming, as my good friend, the hon. member for Beaches, has said.

Further in this great Liberal policy document to be discussed on the weekend, and in the context of Bill C-3, we find the following statement at page 33:

> We frequently live up to our reformist tradition by putting forward progressive proposals only to give way, perhaps too often, as a government, to other pressures.

This is a very interesting admission on the part of the drafters of this document, an admission of failure on the part of the Liberal party, an admission that the Liberal party has given way to pressures from unstated pressure groups, very likely the corporate establishment, those people who traditionally have loud voices in the corridors of the Liberal government.

The document goes on to read:

> Yet we as a party must share in the responsibility of what is accomplished and what is left undone.

I should like to state again the concern which is expressed in this document which is very likely to become the policy of the Liberal party, namely, that the Liberal party itself is giving way to pressure groups and yielding on important social programs.

The document goes on to talk about the fact that there are too many Canadians who experience unemployment, poor wages, job insecurity, unnecessarily tedious or dangerous work. In some cases this document has analysed the problems correctly. It has pointed out correctly that the Liberal party for too long has listened to the voices of the privileged, comfortable few, and one can only hope that instead of listening to this latter day attempt at conversion, Canadians will reject it for what it is and will seek to join the party which has traditionally been speaking on behalf of the concerns of the ordinary people.

As I indicated, we have a crisis in this country in terms of unemployment, a crisis with which this bill has not dealt, a crisis which this bill will make more severe. The problem of unemployment must be dealt with on two fronts. First, we have to deal with the effects of unemployment, and we must recognize the reality that there are some one million people who must survive, who must have a source of income and who have no work. To suggest that somehow those people are responsible for their own plight, as has been suggested in the past by members on my right and members on the opposite side of the House, is blaming the victims of the government's economic policies.

We say that all those persons in this country who want to work and cannot find work are entitled to a decent and humane standard of living for themselves and their families.

Furthermore, we say that there is work to be done in this country, both in the short-term and in the longer term. In the short term it is absolutely scandalous that there is a severe problem in the provision of housing. In my own constituency of Burnaby, for example, there are far too many people who want to find housing and cannot find it. In many cases these are single parents. We have a desperate need for housing in communities all across the country.

• (1700)

We have building trade workers who want to work. We have carpenters, painters, electricians and many other tradesmen who would like to put their skills to good use and who have been trained to build housing. Yet we have a government that cannot put the two together. Although there is a crisis in housing and a surplus of people who want to build housing in this country, we have a Liberal government that has failed to put the need together with those resources. Surely it is a rather searing indictment of the failure of the government to deal with one of the most fundamental rights of all Canadians, that is, the right to decent housing.

There are many other jobs which could be done in the country that are not being done in areas such as the provision of rapid transit facilities. For example, in the lower mainland of British Columbia they are in desperate need of decent rapid transit to move people from community to community. Hundreds of people could be put to work there building rapid transit facilities, not only there but elsewhere in the country. There are many energy conservation projects which could be undertaken that would put Canadians, young and old, men and women, to work.

We should be listening to the voices of hundreds of municipalities across the land. They have called upon the federal government to listen to their concerns. They have said that there are certain programs which they believe should be implemented and for which surely the federal government should have some responsibility by assisting them perhaps on a cost-sharing basis. Let us listen for a change to the concerns of the people of the country through their municipal representatives. There is work to be done in the municipalities, and there are people who would like to do that work.

There are environmental problems in the country. There is much clean-up to be done. Again this is an area in which many people could be employed in the short term.

But it is clear that in the long term only a fundamental change in the economic system of this country will result in the kind of economy in which we as New Democrats believe, an economy in which all those Canadians who wish to work will be able to work. We believe only in an economy which is not based upon the pursuit of greed and the pursuit of corporate profit. Rather, it should be an economy based upon serving human needs, not deciding upon what the maximum profit can be or what the maximum return can be on a given investment, with all the destructive effects that kind of economy has in terms of the degradation of our environment and its pollution, and in terms of the health and safety of working people. Of course in maximizing profit we minimize the money spent on the health and safety of workers and on improving hazardous and substandard products. We spend billions on wasteful advertising promoting consumer greed. Instead of that we seek an economy which identifies our resources as a nation.

We have great wealth; we have unparalled resources. We have energy resources of which most countries are envious and would be proud to have. We have minerals; we have great oceans. Yet we have a Liberal government which does not put these resources to the service of Canadians. We have a government which has tolerated hundreds of thousands of children living in poverty at the same time as these resources are being ripped off to serve our foreign masters.

As I say, we seek an industrial strategy. Many have talked in terms of an industrial strategy, but we seek one in which the wealth of the country will serve all the people of the country. We seek an end to the domination and exploitation of Canadians by outsiders. We seek an end to the system in which we are tenants in our own land, sending dividends year after year to our foreign masters and increasing our current account deficit.

In seeking this longer term strategy in which all Canadians will have jobs, it is important to recognize that it is not good enough simply to substitute Canadian seekers after greed and Canadians who search for corporate profit for foreign searchers of profit. It is important to have an economic system based on co-operatives and the creative role of public ownership in which serving the needs of Canadians is dominant.

In conclusion I say that fundamentally we reject the principles in Bill C-3 as being an abrogation of the responsibility of the government toward all Canadians in creating a decent society and a society in which all Canadians have work. We will continue to speak out at every opportunity on behalf of those Canadians, many of whom are voiceless, young and old, men and women, who are concerned about the erosion of the principles of unemployment insurance in the country and believe it is time for a real change. In the very near future I am confident they will reject once and for all the bankrupt Liberal economic policies in favour of a strong, decent, and compassionate New Democratic Party government.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I welcome the opportunity to address some remarks to the principles involved in Bill C-3. But more important I want to rise to reject out of hand the remarks made by members of the New Democratic Party to my left, that they and only they have a monopoly on the concerns of the unemployed in this country. There are many of us—and particularly members from my area of the Atlantic provinces—who are well aware of the problems of the one million unemployed in Canada, particularly those unemployed in the Atlantic area. We deal with those problems on a day to day basis. I think of the speeches made in the House over the years by members such as the hon. member for Carleton-Charlotte (Mr. McCain), the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and other members from the Atlantic area. They brought to the attention of the House time and time again their concerns for the unemployed people of that area and of Canada.

I was concerned that those who listened to the speeches earlier made in the House would get the impression that we, particularly the members from Atlantic Canada, are not concerned with the plight of the unemployed. I underline for all members of the House and all interested persons that it is one of our greatest concerns.

We stand for legislation which will assist unemployed persons to gain the necessities of life. That is what we believe is the important feature of an unemployment insurance system. It is not to encourage idleness and refusal to work at whatever jobs are available. We recognize and realize that there are defects in the unemployment insurance plan which ought to be remedied for the benefit of honest workers who utilize the plan for the purpose for which it was intended, namely, to provide for the needs of life during those periods when a person is unemployed. I want to say categorically that I for one am most interested in the problems of the Canadian unemployed. I reject any suggestion on the part of any hon. member in the House that all of us do not stand together in that concern.

I want to direct my attention to the provisions of the bill, but more particularly to the remarks made by the Minister of Employment and Immigration (Mr. Axworthy) when he introduced it. One point he made clear at that time was that the provisions of this bill were only an interim measure and that he had in mind a general review and reassessment of the provisions of the Unemployment Insurance Act. Indeed, when he made his remarks on the occasion of the introduction of this bill on June 18, 1980, he said that he recognized the question of unemployment insurance was one that occupied a great deal of time in this House over the years. He said that he thought it was important we consider the relevancy and importance of unemployment insurance as it applies to the changing employment conditions in this country.

I for one welcome a general review of the provisions of the Unemployment Insurance Act. We hope such a review would bring about a balance of the legitimate needs of those people who find themselves from time to time unemployed and in need of assistance through a government-sponsored program. At the same time we hope any revision to the Unemployment Insurance Act will ensure that those who do not wish to work and participate in the economy of the nation through the effort of hard work will not benefit under this plan, and that sloth and idleness will not be encouraged. That is the point on which I take issue with my friends.

● (1710)

We do not want in this country an unemployment insurance program which will encourage people not to work. We want incentives to people to work, and we want to ensure that every person in this country recognizes the value and the benefits of hard work. At the same time, and I repeat this without shame, we have to protect those persons who are unable to find employment, particularly in those provinces and regions of this country where employment is not as easily found as it may be in the province of British Columbia, and other areas where, for the moment, they are enjoying the wealth of the nation.

An hon. Member: You better learn about British Columbia.

Mr. Crosby: I would respond to the hon. member who suggests that I learn about British Columbia by saying I have

just listened to a member from British Columbia, and if that is the way to learn then I do not think I am any further advanced having listened to his speech than I was at the beginning.

Let me say this in respect of the nearly one million people across this nation who are unemployed; we want to help those in that group who cannot find employment after an honest effort, but we do not want a program which encourages those in that group who simply refuse to work and who are unwilling to take the kind of work available. We do not want to encourage them by providing benefits which are unnecessary and not in the interest of the nation as a whole, including the unemployed.

Let me say one or two additional things on the specifics of this bill and the act it proposes to amend. Over the last few years we have had several amendments to the unemployment insurance program, leading to great confusion on the part of those affected by it. I have particularly in mind the limitation of the 20-hour week proposal being the basis for eligibility, along with the secondary test of a flexible ten to 14-week requirement for benefits. This has caused a great deal of difficulty and confusion to the unemployed, and I know in my own constituency office the question of eligibility for unemployment insurance benefits is a day to day concern. Literally hundereds of constituents inquire as to eligibility, and there is confusion not only on the part of recipients but in the minds of some who administer the unemployment insurance law.

We have to be very careful when we make these changes because of the widespread effect they have on those in communities who find themselves from time to time unemployed. I for one felt that the 20-hour per week work requirement was onerous and difficult in my area of Atlantic Canada, where people find themselves unemployed seasonally and periodically.

One of the groups which has been adversely affected by this requirement is that group of marine workers including longshoremen and stevedores working in the port of Halifax and elsewhere along the eastern seaboard and, indeed, in other parts of Canada. As part of the normal work routine of these people they are required to stand by waiting for employment. Indeed, if they did not stand by waiting for the opportunity to be employed the whole marine transportation system would break down. Indeed, if they sought employment which would allow for steady work over a time period and did not make themselves available for periodic employment on the waterfront, on the piers and wharves in the coastal parts of Canada, the marine transportation system would grind to a halt. These people are performing an essential and necessary service in the interests of all Canadians, yet this is a kind of employment where 20 hours work during a week is a substantial amount. Many of them are unable to supplement their earnings from employment as marine workers with unemployment insurance payments because of this eligibility requirement.

I should point out that in years prior to this requirement it was the practice of many marine workers to engage in their own kind of work during periods of unemployment, particularly during the winter shipping season on the east coast, periods when work was not available at all or available for very limited periods of time, and they could supplement their earnings with unemployment insurance benefits. When the 20-hour week requirement was introduced it had a very adverse effect on this particular group. Even though their earnings on a yearly basis were relatively high, they found themselves without income for periods of time when employment was not available.

The minister in addressing his remarks to this bill indicated he is now proposing that an individual who earns either one fifth of the maximum weekly insurable earnings or works 15 hours a week, will be eligible for coverage, and that kind of coverage will commence January 1, 1981. This measure, which I welcome, goes a long way toward remedying this problem in respect of marine workers.

I might mention that such a change is not without very considerable cost. It affects apparently 300,000 workers across Canada and will represent an additional cost approaching $100 million. As you can see, we pay very dearly for an extension of benefits of that kind. It is nonetheless one which I think is needed, and I hope the minister will carry through with his promise, ensuring that this benefit is available by reducing the requirement to 15 hours a week or one-fifth of insurable earnings. This will benefit not only marine workers but other groups who require assistance. I have in mind particularly substitute school teachers who are again required to stand by waiting for employment and who, for many weeks during the period they are employed, do not attain the required 20 hours, yet their earnings are substantial enough, even with a much lesser period of work, to qualify them for benefits. These are changes we welcome, along with the actual changes contained in Bill C-3 in respect of the Unemployment Insurance Act.

Let me add very generally that we are concerned with the plight of the unemployed across this country. We welcome any changes which will benefit those people who need them, but at the same time we do not want the unemployment insurance plan subjected to the abuses of the past. The only solution is that indicated by the previous Progressive Conservative government which embarked upon a study of the Unemployment Insurance Act with a view to correcting those abuses occurring in the past, while at the same time providing reasonable benefits which the country can afford. We welcome any continuation of that period and technique of reform which will bring about an unemployment insurance program beneficial to those who require assistance, without encouraging those who do not need assistance but who remain unemployed simply to collect benefits. I close on that note by saying we welcome changes which assist the unemployed, but we recognize there is a need for changes in the legislation to correct abuses. Thank you.

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

Some hon. Members: Question!

The Acting Speaker (Mr. Ethier): The question is on the motion by the Minister of Employment and Immigration (Mr. Axworthy). Is it the pleasure of the House to adopt the said motion?

Mr. Knowles: No.

Some hon. Members: Agreed.

Mr. Knowles: On division.

Motion agreed to on division, bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

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ECONOMIC COUNCIL OF CANADA ACT

RELOCATION OF GOVERNMENT AGENCIES

The House resumed, from Tuesday, May 20, consideration of the motion of Mr. Cosgrove that Bill C-13, respecting the relocation of government agencies, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Bill Domm (Peterborough): Mr. Speaker, one of the things that has been of major concern to the people of Canada is the history of the performance of the Liberal government as it has proceeded to enact legislation affecting relocation of government agencies in Canada. This concern rose out of a suspicion that the relocation of government offices in Canada has been used as a means of pork-barrelling, should the opportunity arise; that is, it would serve a political advantage for the government of the time to suggest a relocation of a government agency or a regional office to a Liberal riding. The record speaks for itself on a number of occasions.

● (1720)

I could mention to the House the recent fiasco in the riding of Durham-Northumberland with regard to the relocation of Eldorado Nuclear. Eldorado, a Crown corporation with its head office in the area of Port Hope and with directors appointed by a Liberal government, suggested that it would be advisable to put a refinery in Hope township. I remind hon. members that this occurred during a Liberal government. No action was taken, but commitments were inferred during the election campaign.

Immediately following the election campaign, the Conservative government came into power and a decision was made to act. Eldorado acted, and they located, with intent, on property in Hope township. Another election came along and the Liberals were returned to office, and the decision was made to move Eldorado out of a Conservative riding to a Liberal riding in the north.

That is not the only case. There are a number of cases in history. We do not need to go back very far, just to 1977 at which time there were 13 proposed relocations of government offices, all but one to Liberal ridings. We can come closer to

today's date and discuss what was recommended first in 1973 by a Liberal government, that the regional office of Parks Canada located at that time in Cornwall, which was serving the province of Quebec, would move to a Liberal seat in Quebec. At the same time it was proposed by a Liberal government that the Ontario regional office would be moved out of Cornwall into a then Liberal riding, Peterborough.

Only one thing went wrong with those plans. The Liberal regained his seat in Quebec and the regional office was moved from Cornwall to Quebec City, a more central location for serving the needs of Quebec. This was a commendable move which was thoroughly studied. The proposal to move the Ontario regional office of Parks Canada from Cornwall to Peterborough was also thoroughly studied. The move was first studied by hon. member for London West (Mr. Buchanan) who was then a Liberal minister of the Crown. It was recommended by the minister that the regional office should be more centrally located in order to serve Ontario best. The two locations under consideration were Guelph and Peterborough, both ridings were held by Liberals.

The only thing that went wrong with the move of Parks Canada from Cornwall to central Ontario, where it could best do the job for the most people in Ontario, was that the Liberals were unsuccessful in holding on to the seat held by a then cabinet minister in Peterborough in the 1979 election. It became politically astute to call the move off when they regained power in the current government. That is just one more case of the proposed centralized legislation which we are reviewing today, as it affects Hull and other regional offices.

Such questions should be carefully studied and reviewed with a great deal of concern as to whether these moves, in terms of history of performance, have been moves to satisfy the desires of Liberal members of government or whether the moves have been made to best serve the people of Canada. To be more specific, during the election campaign of 1980 it was claimed by the then member of Parliament for Cornwall, a Liberal, that the regional office would go to Peterborough, to use the member's exact words, "Over my dead body".

I would remind the people of Canada that to keep that same cabinet minister alive, it will cost them some $2 million or $3 million to call off the move of Parks Canada to Peterborough and to move the regional office back to Cornwall, after the premises had been rented in Peterborough. The premises are a large facility of two storeys and many thousands of square feet. It is located on the main intersection of Charlotte Street and George Street in Peterborough, and it is now vacant. The facility was leased at a cost of $160,000 a year for a period of five years. The merchants located in that building were evicted to make room for Parks Canada. The keys were turned over to the government.

However, the new Liberal government decided to bring everything back to Cornwall where it still enjoys a Liberal seat. The reason given to the employees of Parks Canada for keeping the office in Cornwall was because it would be in the best interest of the morale of the employees. I can tell hon. members how enthusiastic the employees of Parks Canada in

Cornwall are at the move being called off. Since the move was called off a few short weeks ago, there has been a mass grievance by the employees in Cornwall to the Civil Service Alliance complaining about the cancellation of the long awaited move to where it could serve Canada best, Peterborough.

A petition has been presented to this House containing 51 signatures, including all the management staff of Parks Canada who could sign the petition, except for three who would lose their jobs if they were to sign it. The petition stated that it would be best for Ontario and the citizens of Canada with regard to heritage research work in Ontario if the regional office were located in Peterborough. The problem is that there is not a Liberal member in the riding of Peterborough. The petition which was duly signed asked this House to reconsider the cancellation of that move.

There have been over 20 litigations brought against this government by employees objecting to the cancellation of that move. Thirty-five management staff of Parks Canada in Cornwall, who have been expecting the move since 1975, when it was announced that the move would be made to either Guelph or Peterborough, as recently as two weeks ago served notice of requests for transfers. These are not lateral transfers within the department, but transfers right out of the Ministry of the Environment. Some employees have terminated their employment because of this bad management decision made by the new Minister of the Environment (Mr. Roberts) who cancelled the move.

The principal reason for cancelling the move is that it would be best for the morale of the employees. Having substantiated that it was adversely affecting the morale, as a result of these three instances over the last month, I would like to remind the citizens of Canada of what it is costing them to call off this move of Parks Canada from Cornwall to Peterborough. The cost is well documented in *Hansard* and in committee meetings. It would cost $900,000 to move all the employees to Peterborough and $91,000 to move the office equipment to that city where Parks Canada could serve Ontario best due to the central location on the Trent-Severn Waterways, which is part of the Parks Canada portfolio.

What is it costing to move those employees and that office facility back to Cornwall? It is costing the taxpayers of Canada $1,250,000 in payments to employees as they buy back their good will. I can hear people say "$1,250,000 to the employees, how will that be paid and what for?" Those employees are going to be reimbursed by having their homes in Peterborough purchased by the government. That contract was signed today in Peterborough with A.E. LePage. The Government of Canada is going to buy back all the private homes of all the employees of Parks Canada. This government is then going to go back to Cornwall and buy the same homes formerly owned by those employees. Three cases have already been settled. One particular person in Cornwall, a citizen not to be named, was paid $14,000 cash over and above the price he paid for that home in Cornwall in order that we, the government, the taxpayers of Canada could get that home back, and put the home in Peterborough on sale at a reported commission of 6 per cent for handling to get that employee back.

● (1730)

I have taken the liberty of compounding the figures involved. I have taken the number of employees involved and the number of homes purchased in Peterborough, and to purchase like residences in Cornwall again we are looking at something like $1.5 million. Very quickly we are now up to almost $3 million. That is the kind of decentralization policy which this present government is enacting.

Eldorado Nuclear was cancelled in Hope township and moved to a Liberal riding in the north from a Conservative riding in the south. Next is Parks Canada in Peterborough. Parks Canada was put in place by two former Liberal cabinet ministers who lost their seats in the 1979 election. Subsequently, Parks Canada was moved back to Cornwall, now a cabinet minister's seat, because he said that if the Liberals formed the government in 1980 he would reverse that move to Peterborough and it would be over his dead body that it stayed on track. I want the citizens of Canada to know how much it is costing them to keep that cabinet minister's body warm and alive in Cornwall.

Forgetting all of the political pork-barrelling, forgetting about moving up to the trough as every dollar is sucked from the Canadian taxpayers in order to satisfy government members' own political motivations in their own ridings, let us take a look at what it has done to Ontario. Peterborough is an area I represent. A regional office of Parks Canada has been taken away from the Trent-Severn waterway. This government has moved it to Cornwall in the southeast corner of Ontario. It is well documented that it is costing Canadian taxpayers $260,000 a year more to operate there than it could be operated in Peterborough. That is documented by the deputy minister of the environment in this present government, and by the Minister of the Environment through cross-examination by myself in committee hearings, and by questions asked in this House. Taxpayers are going on and on paying and forgetting about inflation. They are paying $260,000 more a year to operate Parks Canada in Cornwall where it cannot operate effectively, efficiently, and with the best interests of Ontario in mind.

Second, by operating in Cornwall the government is forgetting one point. In its decentralization policy the government says that it will move offices around where they can best serve their purpose. I ask why did the government leave the Quebec regional office in Quebec? Why did the government not move that office from Quebec City to Cornwall where it was when the government announced that it would break up the regional office and put it in the centre of provinces, namely, central Ontario and central Quebec? I will tell you why the government did not move it back from Quebec to Cornwall—because there was a Liberal member of parliament representing the constituents in Quebec.

What is this present government proposing to do with its relocation policy? It will do nothing different from what it has done in the past. If there is a Liberal member serving the

constituents in a particular riding, that is where offices will be proposed, regardless of what is best for Canada, what is best for the office, or what is best for the citizens in that area. If this government does not soon start realizing that it has to take into consideration what is best for Canada and not what is best for government members personally, then we will have bad government. We have bad government today because of pork-barrelling and the decentralization of offices all over the Dominion.

I cannot support this bill because this bill is incurring more expense in the area of political patronage. I hope that the people of Canada are well aware of those three points, namely the history of these relocation moves, the costs involved in picking up the tab and the ulterior motive that motivates this government into making every decision. I say that is crass politics. Until we realize that and until we respect what is best for Canada as a government, then we lose credibility in Parliament as we carry out our duties.

This government that we have today is fully responsible for the millions of dollars wasted in the cancellation of Eldorado in Hope township and in the cancellation of Parks Canada in Peterborough just so it could serve its own needs and desires as it endeavours to serve one purpose, and that is to get re-elected individually regardless of the cost to the Canadian taxpayers.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, this bill that is before us today has as its basic purpose the legislation of something which was done without authority in the mid-1970s. What was done without authority was not the building of the buildings in Hull, Quebec, which someone described as Fort Fullerton, it was the movement of certain government offices out of the capital of Canada which, under the British North America Act, is Ottawa, into another part of the national capital region, that is to say the city of Hull. That is the purpose of the bill.

If members want to look at it, they will see that it deals with headquarters of the Economic Council of Canada, the land titles department, provisions with respect to the National Transportation Act, the Public Archives Act, the headquarters of the Department of Regional Economic Expansion, matters with respect to the Pension Act, and so on.

This bill first saw the light of day in the Thirtieth Parliament. Despite the fact that we are now in the Thirty-second Parliament, that is not too long ago. When the government of which I had the honour to be a member came to office we had to take a look at this bill because the same illegal situation which had existed at the outset, existed for our government. We had to include this bill in our work program. It was included in the work program for the Thirty-first Parliament. But as everyone knows, that Parliament did not last long enough for this bill to be dealt with. Now we see it again in the Thirty-second Parliament. We are again trying to legalize something which occurred a long time ago.

This is a very symbolic bill, aside from its ramifications in law. It is very symbolic because it pinpoints something which occurred in the national capital area. It pinpoints the headlong dash, without consultation with local government or even provincial government, to move departments of government from where they were and had been for some period of time within the city of Ottawa over to the city of Hull.

• (1740)

So that members of Parliament will have no doubt about my feelings with respect to the matter, let me say quite frankly that I do not begrudge the good fortune of the city of Hull with regard to this development. However, I say to the House that the government handled it in a very ham-handed, unconsultative way. As a result of how it was handled, a great deal of misunderstanding developed in the national capital area. An opportunity for consultation which should have taken place with the provincial authorities, regional government and others, did not take place until after those moves were made.

Even when there was some discussion after the fact with local government officials as to the pace of the movement of public servants to Hull into those tremendous buildings across the river, tremendous in size, and some agreement had been reached between the federal government and the local governments, that agreement was broken as well. If anyone has any doubt about that, let him speak to Dennis Coolican, then chairman of the Regional Municipality of Ottawa-Carleton. He indicated the government was years ahead in terms of the movement. I do not have to tell hon. members how important that was, or about the disruption it meant to this area.

It is symbolic because it pinpoints what has been wrong for some period of time in relationships between the federal government and local governments in this area. The national capital area and the municipalities surrounding it are many things. One thing they are is a group of municipalities which gather their authority under the Ontario municipal act and related statutes. They have mandates to plan. There is land use planning to take into account, as well as demographic changes that occur, and population changes. They have the jurisdictional responsibility as to how the local municipality will develop. That is the law of the province of Ontario. I dare say it is the law of the province of Quebec as well.

The clash in this area has been that the federal government with its immense land holdings, immense financial capability, and through a combination of those things, has been able to do its own thing without consultation. This relocation occurred and we are now legalizing it. We are cleaning up the act, much as the little man who runs behind the circus parade with bucket and shovel to clean up the act after the parade has passed. This is an indication of just how wrong the government's approach has been to this whole matter.

I do not want to leave the impression that as between the staff level of the National Capital Commission and the staff level of the federal government there is no discussion that takes place, that each works in a vacuum. Within the limits of the mandate that is imposed on the respective governments, at staff level there has always been a certain amount of give and take and understanding. Somehow that has not reached the

political level. Perhaps one of the reasons for that, and I am glad to see some ministers in the House—

Mr. Knowles: Two.

Mr. Lapointe: And two NDP.

Mr. Baker (Nepean-Carleton): —is that there has not been for some period of time a representation from the local government, nominees of the regional government of Ottawa-Carleton on one hand and the Outaouais government on the other, as members of the National Capital Commission. There could then be some meeting of minds and understanding on what is happening at the policy level, where these snowballs are made before they are thrown. It did not happen in this case. The snowball was made and it was thrown long before there was any real consultation as to what occurred. I hope the Minister of Public Works (Mr. Cosgrove) will take the debate on this bill as rather important in dealing with the relationships that must occur between the two levels of government.

I am not the only one who has been quarrelling about this and worrying about the way this government has proceeded. There are members in this House of Commons, and I respect their view, who feel that the decentralization program which was embarked upon by the Liberal government was a good thing. I want to make the record clear again. As a principle, decentralization is a solid principle. However, what happened here was that decentralization was taking place at the same time that a massive relocation was going on within the national capital area in terms of Hull.

It was the lack of consultation on the one hand and the fact that these things were running side by side which caused a tremendous number of problems. I am not the only one who has concerned himself with that. I have here a report to the voters of Ottawa West by the present Deputy Speaker of the House of Commons, the hon. member for Ottawa West (Mr. Francis). It is his "Report to Voters" No. 8, January 1977. You will recall from your geographical location in the electoral map, Mr. Speaker, this was a matter of some concern, even in your own area. This is what he said, and I quote from his report:

> The Government of Canada, as an employer, has the right to decide where work in the Public Service is to be performed. If the government decides that the Fisheries Department is to be moved to the Atlantic or Pacific coast, then I think few people could object. If the government decides that a number of services such as the Mint have to be moved, as part of a philosophy of making government closer to the people in this vast land of ours, then I think most of us accept it. If the government decides that this policy is an essential instrument of national unity and making the federal presence felt through all the ten provinces and in the Northwest Territories and the Yukon, then I think the overwhelming number of voters in Ottawa West would accept it without question.

I think that if it were proven, they would accept it without question. The problem is that the propaganda has never been proven. That is beside the point. He goes on to say:

> The problem arises, however, when the decision to decentralize is combined with a major relocation of government departments to Hull at the same time. The issue here relates to the timing of moves and measures taken to co-ordinate them in such a way that the impact on the residents of Ottawa will be the least serious possible.

What happened with respect to timing and co-ordination? There literally was not any. As a result, there was and still is a serious impact on the Ottawa side of the Ottawa River, this part of the national capital. If hon. members want visual confirmation of that, I invite them to join with the Minister of Public Works, who is in the chamber, and drive up Kent Street some morning on their way to the House of Commons. Look at the signs that are two or three storeys high about office space to lease. Talk to dentists, restaurateurs and others who occupy space in public buildings in anticipation that the relocation would not take place or, if it did, that some common sense would have been applied to it. That is a visual impact of it all.

● (1750)

Walk down Sparks Street, as I did today, and take a look at the number of vacant stores in what is regarded as the most prestigious shopping area in the national capital. Yet those stores, all of them providing service, some of them having been there for years, have decided to move elsewhere. There may be other reasons which combine, but I say to the Minister of Public Works—he cannot be blamed for it personally because he was not the minister of public works when these things occurred—that lack of planning and lack of foresight certainly had something to do with the vacancy of those stores, and prompts a real concern about the future of Sparks Street and the future of Bank Street.

I do not represent Sparks Street and I do not represent Bank Street, but in a commercial area, especially in that kind of small business commercial area, every pebble which is dropped into the pond of business welfare causes ripples which spread out and affect everyone else. I think bad planning has had a good deal of adverse effect in the national capital area and I intend to speak about some other aspects while the minister is in the House.

If members want further proof, let them talk to professional people—I am not thinking about members of the legal profession which draws people from all over; I am thinking of the dentists, the doctors and others who have tried to establish practices. All those people I have referred to, the restaurateurs and others, are small business people and they are the victims not of a move to Hull but of an ill-planned relocation to Hull, a relocation which took place at speeds which were unprecedented, unexpected and unheralded by anything which was said by the government which sits across the way.

That is what is happening to this area, and that is why I speak on this bill. When we became a government we took a look at the decentralization plan, particularly with respect to relocation. We considered it from the point of view of the ability to provide service, to provide a modicum of administrative efficiency to the operations of the government and service to the public generally. Generally speaking, we decided that some of these plans should go forward and that 19—I think that was the number—should be stopped. We were advised as a government that in no way could those we decided to stop—and some which we decided to allow to proceed because they were well advanced—could there be anything other than

political expendiency—the hon. member for Peterborough (Mr. Domm) has used the phrase "pork-barrelling"—but in terms of service to the public of Canada, which must be a consideration, particularly in a time of restraint, that that kind of service could not be given in the relocated areas. And that is a criterion which naturally has to be applied not only with respect to the areas to which the government organizations are moving but also having to do with the over-all effectiveness of delivery of service to the public. This was the dilemma we faced, and we measured our decisions against those criteria.

With regard to decentralization projects which had been physically advanced to the point at which the commitment had been made to the extent that we could not back away with honesty as a government, we did not back away from them but we were placed in a dilemma as a government: we suspected there was some reason for which these should not go forward but we could not pinpoint the reason until we came to office. When we did, we had the benefit of the advice of the public service and, as a result, we made the decisions which had to be made.

I said to the Minister of Public Works that I would be dealing with another matter. I think there is a potential for real conflict in the national capital area with respect to its planning. One has to take a look at the official plan of the regional municipality of Ottawa-Carleton which is the duly authorized planning authority for this area, and at the proposals for the development of the national capital. One sees that those plans meet head on. In the plan for the National Capital Commission there is concentration upon development in the core of Ottawa-Hull, the Ottawa River being a bridge between the two—I use the word "bridge" rather than the word "barrier". That is the concentration of the federal plan, whereas the municipal plan—and under the act the regional municipality of Ottawa-Carleton has pre-eminence in planning officially for the area—under the municipal plan there is a provision for the placing of government buildings, federal installations, within the national capital area in the area municipalities.

As the minister knows, I live in Nepean, and in that municipality there is provision as it affects that municipality. In the city of Kanata they would be delighted to augment what it has in terms of government installations. The official plan of the township of Goulburn—perhaps I should say the plan of the region as it affects Goulburn—provision is made and space set aside for the development of federal institutions. Take a look at the official plan as it affects the township of Osgoode. The same applies in the case of Rideau township.

I realize that buildings cannot be torn down and I understand that because of the investment involved public servants cannot be brought back, but I want the minister to take a look at this proposal. If there is to be relocation from time to time out of Ottawa where heretofore head offices were to be, into the national capital area as Bill C-13 contemplates, the Government of Canada should regard the national capital area not just with respect to Hull, however worthy its desire for expansion is, but regard the whole of the national capital area as worthy of consideration because it is important that there be a balanced development within the national capital region. I also think it is important with respect to public servants that there be consultation as to moves and that there should be consultation with local governments. Failing this, a conflict of development priorities is likely to arise which could do nothing but harm to the relationship between the federal government and local government.

May I call it six o'clock?

● (1800)

Mr. Collenette: Mr. Speaker, I might be a little off base here, but I understood that perhaps there was some disposition to seeing this bill passed. I am not sure whether my friend, the hon. member for Nepean-Carleton (Mr. Baker), had finished his remarks or whether there were other speakers. I understood that there were just two speakers from the official opposition, and if we could have the indulgence of the House for a couple of minutes the minister might want to reply before this bill goes to committee, if that is the agreement of the House.

The Acting Speaker (Mr. Ethier): This can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, I wonder if the parliamentary secretary would mind getting to his feet again and telling us the order for tomorrow.

Mr. Collenette: Mr. Speaker, we had hoped to have Bill C-13 disposed of today, but we plan to bring that tomorrow afternoon right after question period to finish it off, and then we will proceed with Bill C-22. Should we dispose of Bill C-22, then we will bring back Bill S-6.

The Acting Speaker (Mr. Ethier): It being six o'clock, this House stands adjourned until two o'clock tomorrow afternoon, pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 3, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND OCEANS

JURISDICTION OF MINISTER IN LIGHT OF SUPREME COURT JUDGMENT—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise on a matter of urgent and pressing necessity having to do with a recent judgment of the Supreme Court of Canada in the case of a British Columbia logger by the name of Dan Fowler.

The judgment challenges the jurisdiction and renders the operative use of the jurisdiction of the Minister of Fisheries and Oceans (Mr. LeBlanc) useless. Accordingly, I would move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That the House instruct the Minister of Fisheries and Oceans to set out forthwith to examine his jurisdiction in areas where legitimate interests of his department are in conflict with competing interests, as was the case with respect to matters leading to the judgment of the Supreme Court of Canada in the Fowler case, and to include in such examination discussions with provincial officials and leaders of industry as requested by the Council of Forest Industries in British Columbia.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN PIPELINES

CONSTRUCTION OF ALASKA HIGHWAY NATURAL GAS PIPELINE—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I wish to follow up my motion of June 26 under Standing Order 43. Canada is importing approximately $4 billion of oil and $1 billion of coal annually, causing a severe adverse balance of payments problem.

As the pre-build section of the Alaska highway gas pipeline will provide 150,000 man-years of employment and will permit the export of Canadian surplus natural gas, resulting in a favourable balance of payments of approximately $2 billion per year, I would move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the federal government immediately approve all Canadian aspects of the pre-build Alaska highway natural gas pipeline while concurrently continuing negotiations with the United States of America for acceptable guarantees in regard to construction of the northern and Alaska sections of the natural gas line.

Approval is needed now.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SEARCH AND RESCUE

NEED FOR IMPROVED FACILITIES ON WEST COAST—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise on a matter of urgent and pressing necessity. Whereas another British Columbian has died because of the federal government's failure to provide adequate search and rescue facilities on the west coast, and whereas this death occurred a short distance from CFB Comox and resulted, in all probability, from the fact that all four helicopters were down for maintenance, and whereas the rescue co-ordination centre failed to provide helicopter service and a competent medical team, I move, seconded by the hon. member for Beaches (Mr. Young):

That the Prime Minister of Canada apologize to the family and to the people of British Columbia for failure to provide service and, further, that he make a statement in this House explaining how much longer the people of western Canada must put up with this inexcusable service.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

ENVIRONMENTAL AFFAIRS

ACID RAIN POLLUTION FROM U.S. POWER PLANTS' CONVERSION FROM OIL TO COAL—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. I am confident that hon. members on both sides of the House will provide the unanimous consent required.

In view of the fact that the United States has passed a bill to convert 80 power plants in the northeastern states from oil to coal, which will cause a disastrous increase in acid rain in both the United States and Canada, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House urge the United States House of Representatives to modify the power plant conversion bill while there is still time, in order to restrict increased acid rain pollution from the conversions.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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STATUS OF WOMEN

HIRING OF WOMEN FOR ALASKA HIGHWAY NATURAL GAS PIPELINE—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that this government has not yet signed an Affirmative Action agreement with Foothills Pipe Lines Ltd., and in view of the fact that the president and chief executive officer of Foothills, Mr. R. L. Pierce, stated to the Standing Committee on Northern Pipelines on June 19, 1980, that women possess 75 per cent of the brains of the population, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House instructs the government to negotiate an Affirmative Action program with Foothills before pre-building is even considered, and ensure that this agreement includes a hiring quota of 75 per cent women.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NEW HORIZONS PROGRAM

NOTIFICATION OF GRANTS TO ALL MEMBERS OF PARLIAMENT—MOTION UNDER S.O. 43

Hon. David Crombie (Rosedale): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the fact that the Minister of National Health and Welfare (Miss Bégin) yesterday indicated in a standing committee that all members of the House of Commons should be treated equally with respect to the administration of New Horizons grants, I would like to move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House support the Minister of National Health and Welfare's commitment that all Progressive Conservative and New Democratic Party members of Parliament receive the same communications on and notification of New Horizons grants as Liberal members of Parliament do.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who said "No"?

Mr. Crombie: Madam Speaker—

Madam Speaker: Order, please. There were "Noes" and that is why I did not put this motion to the House.

Mr. Clark: Which minister said "No"?

* * *

CP AIR

CRITICISM OF CABINET REVERSAL OF CTC DECISION—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, to propose a motion of urgent and pressing importance.

In the light of last week's cabinet ruling which overturned a decision by the Canadian Transport Commission, a decision which had granted CP Air the right to provide one-stop transcontinental air service from Vancouver to Halifax via Toronto, and as this cabinet action contradicts commitment by a previous minister of transport, the Hon. Otto Lang, as reported in *Hansard* for November 8, 1978—

An hon. Member: Otto who?

Mr. Siddon: —that the Liberal government would not interfere with the authority of the CTC to make such decisions, based on careful consideration of all factors pertaining to the public interest, I move, seconded by the hon. member for North Vancouver-Burnaby (Mr. Cook):

That the Liberal government be severely censured for its despicable treatment of CP Air, which is Canada's only privately-owned transcontinental airline, and

that the government be required to reimburse CP Air for up to $1 million of costs incurred by CP Air in preparing for the Toronto-Halifax service.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL BUSINESS

REQUEST FOR ESTABLISHMENT OF DEVELOPMENT BONDS PROGRAM—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the dramatic announcement in Fredericton several weeks ago by the Minister of State (Small Businesses) (Mr. Lapointe) that his government was going to implement the small business development bond which was the creation of the previous administration, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the House instruct the Minister of Finance to bring in immediately amendments to the Income Tax Act to establish the small business development bond.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO CERTAIN ELDERLY PERSONS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I have a motion under Standing Order 43. In view of the fact that the Supreme Court of Canada recently handed down its judgment that some 13,500 elderly people were incorrectly cut off unemployment insurance benefits in 1976, and said this was an obvious injustice which should be corrected by Parliament, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

● (1415)

That this House calls on the Minister of Employment and Immigration to bring before the House such measures as would remedy this obvious injustice as quickly as possible, so that these senior citizens will finally receive the benefits to which they are justly entitled.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

DROUGHT IN WEST—ASSISTANCE TO MANITOBA FARMERS—MOTION UNDER S.O. 43

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, I rise on a matter of urgent and pressing necessity. In view of the very laudable announcement made today by the Minister of Agriculture, in Yorkton, Saskatchewan, of $60 million in assistance to prairie grain farmers affected by the drought, in addition to the $7 million for farm-well aid plan assistance already announced, I move, seconded by the hon. member for Missisquoi (Mr. Bachand):

That this House urge the government of Manitoba to confirm that its $43 million in assistance to Manitoba farmers will be in addition to the federal programs.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

INDEXATION—GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister. During the last election campaign, the Prime Minister promised that his party, if elected to government, would make the tax system in Canada more equitable and would protect poor and middle-income Canadians—and I quote him—"by helping first those who need that assistance".

The Prime Minister and his government are now considering ending indexation of the personal income tax system. That program, if they follow through, would hurt most those Canadians whom the Prime Minister has promised to help. I wonder if the Prime Minister will take the opportunity today to give me, the House of Commons and the people of Canada a direct assurance that the Government of Canada will not stop or tinker with the indexation of the personal income tax system in the country.

Right Hon. P. E. Trudeau (Prime Minister): This matter has not been considered by the government as a whole, or by myself. I do know that the Minister of Finance and his

officials are engaged in a long-term preparation of budgetary measures. They are considering all forms of budgetary matters, and they are doing what the Leader of the Opposition's minister did when he considered abolishing the indexing system.

What will be done with that consideration is something that the minister himself has not decided and certainly the government has not examined.

Mr. Clark: The Prime Minister has just confirmed that the government is now actively considering ending the indexing system.

Some hon. Members: Oh, oh!

Mr. Clark: May I remind the Prime Minister of the statement made by his then minister of finance, the Hon. John Turner, at the time of introducing the indexing system: Mr. Turner said:

—this new system will be recognized everywhere as a bold and sensitive response to a fundamental tax problem.

Having regard to the excessively high rates of inflation in the country, will the Prime Minister tell the House of Commons what circumstances have changed to lead his government and his Minister of Finance to consider, as the Prime Minister has just admitted they are, abandoning this, in the words of Mr. Turner, "bold and sensitive response to a fundamental tax problem"?

Mr. Trudeau: If the Leader of the Opposition is quoting authorities, he might ask himself why in the face of that eminent authority his own minister of finance examined the possibility of abolishing indexing.

I repeat, it is the duty of every minister of finance to look at the whole range of instruments that are at his disposal to arrive at a fair and equitable budgetary decision—and that is what he is doing, exactly as the Tory minister of finance did.

Mr. Clark: We would be very pleased if this government could do exactly what we did regarding indexing, because we considered it and we rejected the proposal absolutely. Since the Prime Minister is not prepared at this stage to follow our lead and reject a proposal—

● (1420)

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Listen to the howls over there; they sound dreadful.

Mr. Clark: Since the Prime Minister is not prepared to follow our lead and reject a proposal which would impose a very heavy burden upon the poor in Canada and upon low and middle-income Canadians, will he follow our lead in another respect? He knows that a year ago, when there was concern about the question of interest rates, the government of the day referred that question to a standing committee so that all aspects could be considered.

Some hon. Members: Question!

Mr. Clark: If the Prime Minister wants a serious consideration of indexing, will he refer the question of indexation to a standing committee of this House of Commons, so that members on this side of the House who believe that indexing should not be stopped and that the poor should be protected will have an opportunity to stop the Minister of Finance from ending indexing?

Some hon. Members: Hear, hear!

Mr. Lalonde: The poor do not pay taxes.

Mr. Trudeau: Madam Speaker, I will gladly undertake to follow the lead of the hon. Leader of the Opposition at least part way if he could inform us when his minister stopped considering deindexation. We do not know that. We know that he considered it, we know that in the final result he did not adopt it; but how many weeks or months before budget night did he stop considering de-indexation? If we have that information, perhaps we can follow the lead.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the minister of finance in my government stopped consideration of the ending of indexation moments, months, days after he began that consideration.

An hon. Member: Moments, months, days?

Mr. Clark: We now have an undertaking by the Prime Minister that they will follow that lead.

Some hon. Members: Question.

Mr. Clark: Will the Prime Minister of Canada—

Madam Speaker: Order, please. May I ask the right hon. Leader of the Opposition to put his question.

Mr. Andre: What? You should ask them to stop.

Mr. Clark: Madam Speaker, my problem is that I am receiving questions and considerable heckling from the other side.

Some hon. Members: Oh, oh!

Mr. Andre: That is right.

Mr. Clark: Will the Prime Minister—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The right hon. Leader of the Opposition.

Some hon. Members: Hear, hear!

Mr. Clark: Will the Prime Minister, knowing that our government rejected that proposal quickly, now instruct his Minister of Finance to reject immediately any consideration of the ending of indexing which would place an unpardonable

heavy tax upon the poor and upon lower and middle-income Canadians?

Mr. Trudeau: Madam Speaker, the Leader of the Opposition has not given the information I asked for. How many months before budget night did his minister stop considering this fiscal instrument? How many months before?

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Put it to a committee.

INDEXATION—RESPONSIBILITIES OF MINISTER FOR SOCIAL DEVELOPMENT

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Justice and Minister of State for Social Development. It relates to his new responsibilities for social development and, indeed, the well-being of all Canadians.

The minister might want to explain to the House, particularly in light of the comments of the Prime Minister, how deindexing of income tax deductions will assist his responsibilities with respect to low and moderate-income people in this country.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not have anything to add to what the Prime Minister said.

An hon. Member: I bet you don't.

Mr. Chrétien: The Minister of Finance is studying all aspects of fiscal policies before preparing a budget. We will know when he has a budget. At that time, with whatever moves he makes, I am sure it will be a good Liberal budget.

Some hon. Members: Hear, hear!

Mr. Crombie: Madam Speaker, my concern is with respect to the responsibilities of the minister. He is not responsible for the budget. In fact, it seems to me that his responsibility ought to deal with those persons who will be adversely affected by deindexing.

I should like to ask the minister whether he or anyone in his government has already made representations to the Minister of Finance with respect to how the measure to de-index will affect single parents on mother's allowance and, indeed, assist the Minister of National Health and Welfare to bring senior citizens up to the poverty line, which is her desire?

● (1425)

Mr. Chrétien: Madam Speaker, this House has already voted an increase of $35 to the benefit of people who are retired and on fixed incomes. We have acted to show our consideration for citizens of Canada in that way. When there is a real budget, I am sure it will be much more acceptable to Canadians than the budget presented last December.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF AUSTRALIAN HOUSE OF COMMONS

Madam Speaker: I should like to draw to the attention of the House the presence in our gallery of Sir Billy Snedden, the Speaker of the House of Commons of Australia.

Some hon. Members: Hear, hear!

* * *

NORTHERN PIPELINES

FINANCIAL GUARANTEES FOR ALASKA HIGHWAY NATURAL GAS PIPELINE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Yesterday, in the House, the minister told us the government had obtained assurances that some $500 million would be spent on the northern pipeline project. I should like to ask whether the minister will confirm today that, far from being the financial guarantees which are required by an act of this Parliament, this sum merely constitutes some 2 per cent of the $22 billion required for the whole project, and thus does not meet those guarantee requirements at all.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I certainly never stated that this constituted the full guarantee to which the hon. member was referring. I can understand his referring to the $500 million as a picayune amount.

Mr. Broadbent: I did not.

Mr. Lalonde: It is still a large amount committed to this very important project by private sponsors—$500 million. It is clear, when the hon. member refers to the full financial commitment by all the private sponsors as not being provided by this particular undertaking, that it is an undertaking, as I indicated yesterday in my answer. If my hon. friend refers to *Hansard*, he will see it clearly directed toward engineering and design, and it is not representative of the full cost of completion of the line. Some people have estimated the total cost as being as high as $20 billion.

Mr. Broadbent: Madam Speaker, that is precisely the point; it is only 2 per cent of the amount which would be required by the act passed by this Parliament. As the minister knows, the cabinet has before it a proposal which, if anything, is more serious in its implications then the paltry, in a comparative sense, sum amounting to 2 per cent being put up as a guarantee for this pipeline, and that is the submission made by the National Energy Board that the act of Parliament be changed.

I would like to ask the minister whether he will assure the House that the proposal made by the National Energy Board, that the financial guarantee requirements to the people of Canada be taken out of the act, will be categorically rejected

by the cabinet so that the people of Canada will be protected in respect of this important measure.

Mr. Lalonde: Madam Speaker, I can give the clear assurance to the hon. member that the government will respect the law and, secondly, that any step we take will be taken in the interests of the people of Canada, in order to protect the people of Canada as the hon. member has suggested.

Mr. Broadbent: Madam Speaker, let us be perfectly clear about what the minister has now said. The minister has said that the government is prepared to change the Northern Pipeline Act by removing the guarantee put in at the request of Parliament.

If the government removes that guarantee, what we will have is a pipeline entirely different from the one approved by Parliament: we will have a pipeline designed to ship Canadian gas to United States markets, instead of a pipeline as approved by Canada to ship U.S. gas to U.S. markets. Is that what the minister is saying?

Mr. Lalonde: No, Madam Speaker.

* * *

● (1430)

ENERGY

SUBSTITUTION OF CANADIAN GAS FOR IMPORTED OIL—ENERGY SUBSTITUTION PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. In the speech entitled "Canadian Energy Efficiency" which he gave in Montreal on May 15, the minister said that it was—to use his words—a "strategic imperative" that Canada get off oil.

The minister set a goal of a 10 per cent decrease in our use of oil. He mentioned that 375,000 barrels per day would be cut out, and that this would be done through an energy substitution program which would largely substitute Canadian gas for imported oil. Did the minister's department calculate how much gas was needed to achieve that goal?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to correct the misreading of my speech by the hon. member. If he reads the text carefully, he will see it says that our commitment is much larger than the one to which he referred. Our commitment is, not to reduce the consumption of oil by 10 per cent but to reduce the consumption of oil used for residential, commercial and industrial purposes to 10 per cent of the energy needs for those specific purposes. Indeed, the commitment was very substantial. We are convinced that it can be, and will be achieved, during this decade.

With regard to the amount of gas that is required, my department has examined the implications of such a commitment. My officials have assured me that Canada has sufficient reserves to meet such a commitment and objective, which is very much in the interest of the country.

Mr. Waddell: Madam Speaker, I note the commitment to change to Canadian gas from oil. Before the minister announced his May program in that speech, to substitute gas for oil and thus increase the demand for Canadian gas, the National Energy Board last December, I believe, calculated Canada's gas reserves and then allocated our entire surplus for export to the United States in order to finance the pre-building of the Alaska Highway natural gas pipeline. It is an either/or situation; the minister cannot have it both ways.

Will the minister approve the National Energy Board's gas exports to finance the pre-build, or will the minister keep the policy which he just outlined in the house and keep the gas in Canada to implement the policy which will allow Canadians to substitute gas for oil?

Mr. Lalonde: Madam Speaker, I would like to make two comments in answer to the hon. member. First, if the hon. member would again refer to my speech, he would see that it does not refer exclusively to substitution of gas for oil: it refers to other forms of energy, particularly electricity. It is not the mere substitution of oil by gas. We hope that a large portion of the substitution will be gas, but the program is not based exclusively on gas. I made this quite clear in the speech, which refers to other possible sources of energy such as coal.

With regard to the second part of the hon. member's question, I can assure him that this government will do nothing to approve exports that would jeopardize the security of Canadian supply. Security of Canadian supply will always come first as far as this government is concerned.

* * *

OFFSHORE RESOURCES

INQUIRY TO WHOM ROYALTIES SHOULD BE PAID

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I direct my question to the right hon. Prime Minister. In view of the fact that the Council of Maritime Premiers meeting recently at Dalvay, Prince Edward Island, agreed that royalties from offshore mineral resources should go to the provinces, is the Prime Minister giving any thought to rethinking his position on this matter? If so, when can we expect a statement from him?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, my thinking on this matter has been made public many times, including during the last federal election. I would inform the hon. member that the subject of offshore mineral resources is one of those to be examined by the constitutional ministers in their meeting beginning next Tuesday. The federal position will be stated there and made known to the representatives of the provinces, and no doubt discussions will ensue.

Mr. Crouse: Madam Speaker, since the 75-25 royalty split proposed on offshore resources in 1977 is obviously unacceptable to Nova Scotia, I would like to know what steps the Prime Minister intends to take to resolve this problem before he meets for constitutional talks with the maritime premiers in September.

In the meantime, will he assure the House that my province will continue to receive subsidies on the crude oil which it must buy offshore in order to generate electricity?

Mr. Trudeau: Madam Speaker, I would point out to the hon. member that the governments of those three provinces agreed to sign the agreement, I believe back in 1977, which seems to have settled the matter. Now they are reopening those agreements and they want a new discussion.

The Minister of Justice will be at the meeting on Tuesday to hear their points of view, because that is what the meeting is about. Much before September this matter will be discussed between the provinces and the federal government. However, I repeat: it is up to the provinces to say in what way they want the constitution changed, if at all, because they agreed a few years ago on the arrangements to which I have referred.

* * *

ENERGY

NATURAL GAS PIPELINE TO MARITIMES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. Last December 6, the Minister of Energy stated in the House of Commons that the Atlantic provinces need more natural gas, and a gas pipeline to take gas to the homes and industries there.

Given the representation at that time by the minister in favour of the extension of the natural gas pipeline to the maritime region, the representations of myself, of the Liberal party of the province of New Brunswick, and of the hon. member for Northumberland-Miramichi, and given the fact the province of New Brunswick has stated that it favours the extension of the pipeline should the obstacles identified by the National Energy Board be removed, what will the minister and the government do to encourage the applicant to overcome these obstacles and to fulfil his own pledge that the pipeline extension to Atlantic Canada is a priority of his government?

Also, can the minister obtain a timetable from the applicant as soon as possible and table it in this House so that the extension of the pipeline will be shown as being a priority.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already had occasion to indicate to this House that the construction of a gas pipeline to the maritime provinces is still the first choice of this government. As the hon. member indicated, some reservations have been expressed by the National Energy Board. I have also had discussions, on two occasions, about the matter with the promoters of the project.

The hon. member tells me the New Brunswick government has expressed an opinion other than that already on file, that is that it has considerable reservations about the project. I have received no information from that government to that effect and would be very happy to hear what the minister of energy, or any other spokesman for the government of that province, has to say about it.

[*English*]

Mr. Corbett: Madam Speaker, the minister is fond of including New Brunswick as a partner in co-operation with the present government for restricting the pipeline to Quebec. In this same area of co-operation—which is contrary to representations made by most others, including the minister's colleague but which the minister seems to be so hung-up on—will he assure the province of New Brunswick and its people that he will not tamper or tinker with the contract between the province of New Brunswick and the state of Maine to purchase 400 megawatts of power annually from the oil-fired generating station in Saint John?

[*Translation*]

Mr. Lalonde: Madam Speaker, far from opposing the construction of the pipeline, we have in fact indicated that it is our first option. I would remind the hon. member that the National Energy Board is an independent body, a quasi-judicial organization, and brought down a decision on the matter. If the hon. member gives himself the trouble of reading the ruling of the board, he will realize the board itself points out the reservations expressed by the New Brunswick government on the matter. We did not invent those reservations; they are on file, officially on the record and registered by the National Energy Board.

As for the matter of possible exports of electric power to the United States, there again, should the New Brunswick government reach an agreement with an American state, it will have to go before the board to plead its case; the board will make recommendations and draw conclusions to determine whether or not that energy can be exported to the States, after which a decision will be made.

* * *

• (1440)

[*English*]

INDUSTRY

RUBBER—ADVERSE EFFECT OF IMPORTING TIRES

Mr. Walter McLean (Waterloo): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. When the minister approved the decision of FIRA to permit a Finnish company to import and distribute tires, did he take into account the fact that the government was already

increasing competition in the rubber industry with a $50 million DREE grant to the Michelin tire company, and did he take into account that with the slowdown in the automotive industry, with which he is very familiar, there would be substantial lay-offs in the tire industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, when looking at these questions it is customary to examine all aspects connected with them. I should point out to the hon. member that the decision of the government on this matter was made in March, before a final decision was taken on the Michelin application.

Mr. McLean: Madam speaker, I should like to put a supplementary question to the minister, in light of his response. Is it part of the foreign investment policy of this government to let non-North American rubber companies establish in Canada at the expense of workers employed by North American-owned subsidiaries?

Mr. Gray: Madam Speaker, the purpose of the law is to provide significant benefit to Canada for transactions covered by it, and this is the way the law is applied by this government.

* * *

[*Translation*]

AGRICULTURE

FINANCIAL ASSISTANCE FOR HOG PRODUCERS

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, I should like to put a question to the Minister of Agriculture, but in his absence I will direct it to the parliamentary secretary.

With regard to hog producers who made representations through organizations such as the APU and the Federation of Pork Producers to the effect that they had problems due to the difference between the cost price and the real selling price, I would like him to tell us what is the situation of those people and what are the alternatives offered to them by the Department of Agriculture and the Agricultural Stabilization Board?

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, the Department of Agriculture is now considering the data, that is, the number of hog producers throughout Canada, and as soon as those studies are completed, we will advise the House of its decision.

* * *

[*English*]

INDUSTRY

HAMILTON, ONT.—EXPANSION OF FIRESTONE TIRE AND RUBBER PLANT

Mr. Bill Kempling (Burlington): Madam Speaker, my question to the Minister of Industry, Trade and Commerce relates to the question put by my colleague. Was the minister aware that Firestone Tire and Rubber, of Hamilton, had committed $12 million to expansion of their facility to manufacture earthmover tires and other large tires of the same type as will be imported into Canada from Finland as a result of the approval by FIRA of the request by Nokia of Finland?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, unfortunately, I am inhibited by the present terms of the Foreign Investment Review Act from going into the details sought by my hon. friend. It is customary for the agency to seek the views of other departments which have knowledge of these matters, and these procedures were followed.

Mr. Kempling: Madam Speaker, the Minister of Industry, Trade and Commerce has on his desk a study prepared by the rubber industry of Canada, recommending that he allow the industry to rationalize production in order that it may develop economies of scale and so reduce its costs and receive the benefits of those economies of scale. The minister has had that study on his desk for several months. When is he going to reply to the Canadian rubber industry?

Mr. Gray: Very soon, Madam Speaker.

* * *

ENERGY

ROYALTIES ON OIL FROM CROWN LANDS—GOVERNMENT POSITION VIS-À-VIS ALBERTA

Mr. Bill Yurko (Edmonton East): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources, but it could just as easily be answered by the Prime Minister or the Minister of Justice.

The minister knows that the government of Alberta passed legislation in 1974 to take its royalty share of oil in kind. Therefore, approximately 40 per cent of all oil from Crown leases leaving the Alberta border is royalty, or Crown-owned oil. May I ask the minister if the province of Alberta can legally and unilaterally establish the Alberta border price of the royalty share of the flowing oil and be within the constitutional correctness of the nation; that is, without circumventing the federal powers over interprovincial trade and commerce?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, in view of the hon. member's experience as a legislator, I am sure he knows that the rules of the House prohibit a minister giving a legal opinion on the floor of the House. There are paid lawyers who are trying to get clients to get this kind of information. But I think Beauchesne ruled a long time ago that this is unfair competition.

Mr. Yurko: A supplementary question, Madam Speaker. Has the minister, or has his colleague the Minister of Justice, done a major legal analysis of a province's constitutional right to establish the border price of the province's ownership share, or royalty share, or Crown share of a resource such as elec-

tricity, oil, natural gas, coal or other mineral resources? If he has done the study and analysis, would the minister table the complete analysis in this House at the earliest opportunity, and would the minister—I am not interested in the minister quoting the Cigol case because—

Madam Speaker: Order, please.

Mr. Lalonde: Madam Speaker, I can only tell the hon. member that a number of legal opinions have been prepared by ministers of justice over the years concerning energy and constitutional matters. I think the hon. member also knows that all such legal opinions are privileged and, according to Beauchesne, they are not of a nature to be tabled in the House. He knows that.

* * *

NATIONAL DEFENCE

EFFICACY OF F-18 FIGHTER PLANES

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I have a question for the Minister of National Defence. Last week, United States congressman Bruce Vento, referring to the F-18 was quoted as saying, "there is something drastically wrong with this plane . . . the whole business is a boondoggle and it ought to be killed."

This week we have learned that President Carter is giving active, serious consideration to cancelling the entire project because of skyrocketing costs and performance problems. What action is the minister's department now taking to ensure that the Canadian government is not left with bills for an aircraft that the United States government may no longer want?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I would like to reassure hon. members about the F-18. The government has a team looking into the matter and we already have a test pilot who works with the U.S. marines to see if the prototype is working correctly. I shall meet next week with Secretary of Defence Brown and I intend to ask him a few questions about it. As far as I am concerned, however, every criticism about the F-18 now is strictly allegation.

Mr. Sargeant: A supplementary question, Madam Speaker. The minister has said on too many occasions that the problems plaguing the F-18 program are routine and it is not possible for Canada to pay any amount for the CF-18 over and above the contract price, yet an official in his department has said:

> We have been relying on the U.S. navy for information about the progress of the F-18 and they have not informed us of any major problems. We have a fixed price incentive type of contract but there is obviously an escalator clause built into it.

In light of this and the pending decision from President Carter, is the minister prepared to turn over to the standing committee all pertinent information regarding costs, testing and performance for thorough review and investigation in order to assure the Canadian public that their government has not contracted to purchase an aircraft that may never see active duty?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I think I have already answered that question but if the hon. member wants further information in this connection, I will point out to him that there will be a meeting of the Standing Committee on External Affairs and National Defence next Thursday and I will then be ready to answer all the relevant questions of the hon. member.

* * *

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

REVIEW OF FOREIGN-OWNED FIRMS IN CANADA—PURCHASES IN CANADA BY MULTINATIONALS

Mr. Ron Irwin (Sault Ste. Marie): Madam Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. The Canadian Federation of Independent Business conducted a survey which showed that two-thirds of businessmen want a review of major foreign-owned firms in Canada. These multinationals tend to make most of their purchases in their own countries, at the same time avoiding Canadian customs duties through transfer pricing arrangements.

● (1450)

Can the minister assure the House that FIRA will be requested to encourage these companies to make their purchases in Canada in order to stimulate our own economy?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am glad to have the support of the Canadian Federation of Small Business for the commitments of this government in the throne speech to amend the law on FIRA to, among other things, create a system of performance review for the larger multinational enterprises on such matters as the kind of activity mentioned by my hon. friend.

I can tell the House that the work on the necessary cabinet documents is quite far advanced. I hope with the support of members of this House we will have favourable approval of these proposals when the legislation is introduced, and I hope it will be possible to do so this fall.

* * *

INDIAN AFFAIRS

ACTION TO ALLEVIATE HARDSHIP CONDITIONS ON RESERVES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, it has been a few days since the minister tabled, released and has been questioned on a report on Indian conditions in our country—a report which demonstrates in

very graphic terms the incredible and unconscionable inhuman conditions and degradation our Indian people are suffering throughout the country.

Is the minister in a position today to enlighten the House as to what new initiatives he, his department and government are undertaking to respond to this incredible and unbelievable report?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): I am sorry—

Madam Speaker: Perhaps the hon. member would like to direct his question to another minister.

Mr. Munro (Hamilton East): I wonder if the hon. member would please repeat his question.

Mr. Oberle: Madam Speaker, I do not want to be unkind to the minister. I hope he pays a little more attention to the report that my question makes reference to than he is to what is going on in the House.

My question is: since the minister has now had a few days since tabling the report entitled "Indian Conditions", can he tell the House today what he, his department and government are undertaking? What new initiatives are they undertaking to correct some of these incredible and unconscionable situations of human degradation under which our Indian people are living?

Mr. Munro (Hamilton East): Madam Speaker, I remind the hon. member that last week I answered an almost identical question from the previous minister of Indian affairs on this side of the House. I said at that time that we planned to bring in legislation in the fall, hopefully, that would set out a formula for the Indians, at their own option, to opt for Indian government to take over many of the responsibilities now being performed by the bureaucracy, which has contributed to a very high degree of debilitating dependence by Indian communities on the government and which has contributed to the poverty situation. That has been the feeling as expressed in the Beaver report and other studies undertaken by the Indian communities themselves. That seems to get to the root cause, rather than dealing with symptoms.

With regard to some of the other disturbing implications in the report to which the hon. member referred, there are proposals before the government now for increased expenditures in housing, which admittedly is in a sorry state: much more housing is required. I hope there will shortly be a decision with respect to the availability or otherwise of the funds. Certainly, if we get on with these measures, particularly the legislation in the fall, with the support of all opposition parties, we will go a long way to improving a situation that admittedly is very disturbing.

Mr. Oberle: Madam Speaker, it is not very often that a minister stands in the House and lays all the blame for the failures of his government on the bureaucracy and the department which he administers. The buck must stop some place.

I would like to ask the minister, since he does listen to the so-called, self-styled champion of Indian affairs who was the minister and did not do anything either, would he respond to a request by that hon. member and a request by myself in the standing committee to issue a special reference and provide the Indian Affairs committee with some kind of special status to give that committee the power and jurisdiction to travel around the country, write a report and make recommendations? Having received such recommendations, would he then relieve the country of this national disgrace?

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): It is very unfortunate, to the knowledge of every member of the House including opposition members, that the hon. member would choose in his comments, unless he did not listen to my answer at all, to intentionally misrepresent my answer.

Mr. Oberle: You said the bureaucracy is at fault; that is what you said.

Mr. Munro (Hamilton East): I did not say that.

Mr. Oberle: You are at fault.

Mr. Munro (Hamilton East): The blues will indicate, and *Hansard* tomorrow will clearly indicate what I did say, and I did not say that. What I did say was that if the Indian community took over functions that are now being performed by the bureaucracy—and, as the hon. member knows, this is an obligation on the bureaucracy under the Indian Act—and if we changed the Indian Act so that the bureaucracy would not have to perform these functions for the Indians, then the Indians would not be in a self-dependence state which is such a contributor to the problem. This point was made in the Beaver report. That certainly is not criticizing the bureaucracy, unless the hon. member totally lacks any comprehension of the problem.

With regard to the hon. member's reference to my predecessor in this portfolio, if he has any doubts all he need do is talk to any of the Indian leaders across this country: they will tell him some of the real accomplishments that minister made when he occupied this position.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please.

Mr. Munro (Hamilton East): If I may finish, Madam Speaker, in a more constructive vein—

Madam Speaker: Order, please.

NUCLEAR ENERGY

SALE OF NUCLEAR EQUIPMENT TO ARGENTINA—SAFEGUARDS IN CONNECTION THEREWITH

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. Will he tell the House whether there have been any discussions by him, or jointly with any of his colleagues, with any officials of the government of Argentina which would indicate that the Government of Canada is prepared to lessen its safeguards with regard to the sale of nuclear equipment of any kind in exchange for a write-off of further financial losses suffered by AECL on its 1974 nuclear reactor sale to Argentina?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, to my knowledge there was no discussion to lower the standards established by the Canadian government concerning the use of nuclear energy, be it with Argentina or any other country.

[*English*]

Miss MacDonald: My supplementary is to the same minister. Have there been any changes in the original arrangements with Argentina that would lead to a write-off of the losses suffered by AECL on the 1974 nuclear reactor sale and, as a condition of that, has the government in any way indicated that it would not be as insistent in pressing that Argentina sign the non-proliferation treaty?

[*Translation*]

Mr. Lalonde: Madam Speaker, discussions were held with representatives of the government of Argentina when they came to Canada a few months ago. At that time, we were very happy to find out, on the one hand, that the government of Argentina was prepared to revise certain provisions contained in the previous contract in order to compensate Atomic Energy of Canada Ltd. for a number of additional expenses incurred. On the other hand, we happily found out that Argentina had reaffirmed its interest in acquiring new Candu nuclear reactors in the future. Finally, I am not aware of any discussions which would have resulted in lowering the standards established by the Canadian government in this area. I must point out in particular that we are very happy that this government has succeeded in reinstating the good relationship that had been severely damaged by the hon. lady when she was minister.

• (1500)

[*English*]

PUBLIC SERVICE SUPERANNUATION ACT

REQUEST FOR MEASURES TO CORRECT UNFAIRNESS—RCMP PROVISIONS

Madam Speaker: The hon. member for Winnipeg North Centre.

Mr. Paproski: Edmonton North?

Mr. Knowles: Winnipeg North Centre.

Some hon. Members: Oh, oh!

Mr. Broadbent: Two members fighting it out.

Madam Speaker: Order, please. Would the hon. member please take the floor.

Hon. Stanley Knowles (Winnipeg North Centre): I am glad I have you in my corner, Madam Speaker.

Some hon. Members: Explain.

Mr. Knowles: Madam Speaker, may I put a question to the President of Treasury Board? In view of public concern expressed recently about the unfairness of the Public Service Superannuation Act in that it pays only a 50 per cent pension to a widow of a public servant and, also, in that it pays no pension at all to a widow who married a public servant after he retired, no matter how long the marriage might have lasted, has the hon. gentleman given consideration to correcting these unfairnesses in the act?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, we are currently reviewing all these superannuation provisions. In the course of this review we shall certainly address the issues which the hon. member for Winnipeg North Centre raises.

Mr. Knowles: May I ask the President of the Treasury Board whether he will consult with his colleague, the Solicitor General, who is in charge of the Royal Canadian Mounted Police, and with the Minister of National Defence, who is in charge of superannuation for the forces, in the hope that improvements to be made could apply to all these plans?

Mr. Johnston: It is our practice to consult on these matters. In fact, I have already had discussions with my colleague the Solicitor General with regard to certain aspects of the RCMP pension provisions, and I can assure the hon. gentleman that there will be complete and thorough consultation with all interested cabinet colleagues.

Oral Questions

CANADIAN WHEAT BOARD

DROUGHT IN WEST—ASSISTANCE FOR MANITOBA FARMERS

Mr. Jim Schroder (Guelph): Madam Speaker, my question is addressed to the Minister of Transport as spokesman for the Wheat Board. Can the minister confirm that financial assistance announced today in the amount of $60 million to grain farmers affected by drought will be in addition to the $43 million committed by the government of Manitoba under provincial programs already announced?

Hon. Jean-Luc Pepin (Minister of Transport): It is an independent program. If the government of Manitoba wishes to add to it, they are quite free to do so.

* * *

[*Translation*]

INDUSTRY

GOVERNMENT CO-OPERATION IN ESTABLISHING LADA ASSEMBLY PLANT IN CANADA

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Three weeks ago, a Montreal daily announced that manufacturers of the Soviet car Lada intended to assemble auto parts in Canada for 4,000 cars in 1980, and eventually for 6,000 or 7,000, I believe. Is the minister aware of the intentions of this company and if so has he been asked to co-operate in any way in the establishment of an assembly plant for this Soviet car?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my officials have contacted the Canadian Lada Corporation in order to ascertain its intentions. We obviously intend, on behalf of and in the interests of Canadian workers, to increase the production of cars and auto parts in this country.

Mr. La Salle: In view of the very small role that Quebec plays in the auto industry, can the minister tell us whether he has had discussions with businessmen wishing to establish themselves in Quebec or elsewhere in Canada?

Mr. Gray: Madam Speaker, it is up to that company to consider all the good areas of the country, including Quebec. My department intends to facilitate the construction of such a plant in Canada, not only for Lada, but also for other foreign companies.

[*English*]

PRIVILEGE

MR. DOMM—ALLEGED DISCRIMINATORY TREATMENT SUFFERED BY HON. MEMBER FOR PETERBOROUGH

Madam Speaker: I have received notice of a question of privilege by the hon. member for Peterborough. I assume, as might be inferred from his notice, that he is not questioning my ruling of yesterday. If he has a new question of privilege to raise, I will hear him.

Mr. Bill Domm (Peterborough): Madam Speaker, my question of privilege is clearly not addressed to the matter on which you ruled yesterday. I should like to bring it to the attention of the House that three things are happening which are creating a difference between members of Parliament, whether they sit on the government side or on this side of the House.

Before making my main submission to you, Madam Speaker, I should like to summarize those three things. First, there appear to be very definitely two classes of members of Parliament—those in government, and others.

The second point I should like to make is that I was deliberately misled by officials of the Department of the Secretary of State and was personally supplied with false documents.

The third point I should like to make today is that it appears that the citizenship court which constitutionally should be independent of political pressure is being dragged into partisan favouritism.

It has been customary for many members of Parliament to send out congratulatory letters to persons granted certificates of Canadian citizenship on the basis of lists supplied to all hon. members regardless of where they sat in this chamber. These lists are first compiled by the clerks of the citizenship courts. In my riding of Peterborough the citizenship office is in the city of Peterborough. I might point out that the former Liberal cabinet minister who formerly represented Peterborough was the one who opened that citizenship office. Since then, that court has supplied lists of new Canadian citizens on a regular basis in order that I, as was the case with the former member of Parliament for Peterborough, might send out congratulatory letters to welcome these new Canadian citizens.

A short time ago I was advised by the citizenship office that these lists would no longer be made available according to their instructions received. On June 3, 1980, I received from the Secretary of State (Mr. Fox) a reporting form, a copy of which I have here. There is clearly stamped on the face of this usual monthly reporting form "Nil Report for the Electoral District of Peterborough". I knew this was not true because a friend of mine, a member of the IODE, caters refreshments for new Canadians on these occasions and I was told that 53 persons had received citizenship certificates in that month. On June 26 I received a list of names only. Now, it must be obvious to all hon. members that names without addresses are of little use to a member of Parliament endeavouring to send out congratulatory letters.

I raised this problem in the House yesterday, July 2, since I felt my doing so would lend support to the hon. member for Leeds-Grenville (Mr. Cossitt) in his submission, on a question of privilege, that members of Parliament were not treated equally vis-à-vis members of the government party. Since I feel that the discharge of my responsibility to my constituents is severely hampered by my not receiving these lists, it is evident that the raising of a question of privilege is in order.

I should like to recapitulate in two sentences. First, notification that the lists would not be made available to me was received and, second, a nil report for my electoral district was received from the Secretary of State, though I received a list of 53 persons who had obtained citizenship certificates in May—and I obtained that list through another means.

● (1510)

Here comes the moment of truth, Madam Speaker. Arriving at my office early this morning in an unstamped envelope was the list of new Canadians, received 17 hours after I raised this concern in the House. I ask you, Madam Speaker, what benefit is served by sending out congratulatory letters to new citizens, as other members of Parliament in this House did in June, for those receiving their citizenship in May? What benefit is it to me, a Conservative member of Parliament in Peterborough, to congratulate my new Canadian citizens three or four months after their receipt of citizenship?

The list which I received was received from the clerk of the citizenship court, and I have it to turn in to *Hansard*. It is a list of citizens, minus addresses, and it is of no use to me as a member of Parliament in sending out congratulatory messages.

The law of privilege in this regard is stated in Erskine May, the nineteenth edition, on page 136, and I quote:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

More specifically, under the heading "Presenting Forged, Falsified or Fabricated Documents to either House or committees of either House", May goes on to say:

> It is a breach of privilege to present or cause to be presented to either House or to committees of either House forged, falsified or fabricated documents with intent to deceive such House or committees or to subscribe the names of other persons or fictitious names to documents intended to be presented to either House or committees of either House, or to be privy to, or cognizant of, such forgery or fraud.

That appears in the nineteenth edition at page 141. At the same page May deals with conspiracy to deceive either House or committees or members of either House as follows:

> It has already been seen that the giving of false evidence, prevarication or suppression of the truth by witnesses while under examination before either House or before committees of either House is punished as a contempt; and that persons who present false, forged or fabricated documents to either House or to committees of either House are guilty of a breach of privilege. Conspiracy to deceive either House or any committees of either House will also be treated as a breach of privilege.

A minister is expected either to assume responsibility for actions of his ministry or, alternatively, to advise the House of the appropriate disciplinary measure which has been taken.

On December 6, 1978, the former Speaker of the House, the Hon. James Jerome, as recorded at page 1856 of *Hansard* for that date, stated:

> Does that lead us to the conclusion that, by virtue of an act or omission, the House, or a member, has directly or indirectly been impeded in the performance of its functions or his duty, or that there has been a tendency to produce such result? If I so find, then I really have no choice but to find, prima facie, that a contempt has been committed.
>
> I can interpret that testimony in no other way than meaning that a deliberate attempt was made to obstruct the member in the performance of his duties and, consequently, to obstruct the House itself.

Speaker Jerome went on further to say, and I quote:

> Even beyond the precedents and the complex law of privilege, I cannot conceive that there is any one of us who would accept the argument that this House of Commons has no recourse in the face of such an attempt to obstruct by offering admittedly misleading information.
>
> I, therefore, find a prima facie case of contempt against the House of Commons.

It must be obvious as a result of the concession in committee by the Minister of National Health and Welfare (Miss Bégin), as referred to today in a motion under Standing Order 43, that all members should be treated equally. All members should receive notices of New Horizons grants at the time one side does. Not to have that motion passed in this House unanimously by both sides indicates that there is obviously an intention on the part of hon. members opposite to mislead, misrepresent and keep the opposition ill informed and unable properly to perform the duties which they were elected to perform.

I would further like to point out that rather suspiciously this morning a letter addressed to all Liberal members of Parliament arrived at my office. In that letter it says that as a Liberal member of Parliament I could object to any of the New Horizons programs approved for my area. Attached to that letter—which I have here—are two programs approved, and I assume that if I had been a Liberal member of Parliament, I might have received it at the same time as Liberal members opposite.

In conclusion, I would like to ask for one basic consideration. If Your Honour finds that I have a prima facie question of privilege, I would like to have the opportunity to move, seconded by the hon. member for Nepean-Carleton (Mr. Baker), the following:

> That this matter of discriminatory treatment of a member of Parliament by the Department of the Secretary of State, through the issuance of false documents by the department to the member for Peterborough and through the misuse of the citizenship courts for political purposes, be referred to the Standing Committee on Privileges and Elections.

Thank you for your kind consideration, Madam Speaker.

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise to comment briefly on the question of privilege raised by the hon. member for Peterborough (Mr. Domm). I feel it can be said that this is a further shocking example of an arrogant government interfering with the privileges of a member of this

House by rating members of Parliament who sit on the government side of the House as being in possession of more rights and privileges than hon. members who sit on the opposition side. It is a clear example of indulging in discrimination against hon. members on this side so that their duties are therefore interfered with and impeded when it comes to performing them.

In a ruling which you, Madam Speaker, made yesterday you declared, as recorded at page 2502 of *Hansard:*

A member's privilege is usually an action of some nature which prevents him from fulfilling his duties as a member.

I believe the meaning of your statement is very clear indeed and, if applied to the remarks made to us this afternoon and the case placed before us by the hon. member for Peterborough, I think it clearly reveals a case of his being prevented, to use Your Honour's words, "from fulfilling his duties as a member".

I think one of the customary and accepted duties of a member of Parliament, as mentioned by my colleague, is to welcome new Canadians who take out citizenship to his riding. That is a privilege we have all had. It is a privilege which has been extended to us by various governments over the years, and it has been withdrawn from one particular member of this House and, for that matter, perhaps others about whom we do not know.

In this case, for example, the hon. member has been told that there are no names or addresses because no one received citizenship. Then, if I understood the hon. member correctly, he managed to obtain a list of names. I naturally agree that they would be useless without addresses accompanying them. Then to recover from embarrassment over what happened in the House yesterday, some person, who must obviously have been dispatched by the office of the Secretary of State or someone acting on behalf of that office, sneakily, surreptitiously and in a somewhat slovenly way shoved under the door of the office of the hon. member for Peterborough the list of names and addresses which the government had previously declared to be non-existent. All of a sudden, after he mentioned this in the House yesterday, within a very few hours they appeared, shoved under his door.

● (1520)

This can scarcely be considered as anything else but a breach of the privileges of the hon. member for Peterborough and, indirectly, a breach of privilege of all members of the House who must be deeply concerned that such a thing has happened. It is another case of shockingly conclusive proof that the government, in a contemptuous fashion, is interfering with our privileges to carry out properly our duties.

I trust, Madam Speaker, that you will rule in a way to put an end to this disgusting charade that the government is carrying on. My colleague, the hon. member for Peterborough, has cited many of the background precedents to illustrate what is a clearcut breach of privilege. I hope that you will rule, as I said, to end the charade being committed by this government, which is definitely interfering with the rights of this particular member and of others to perform their duties as such, and again I am paraphrasing the words which you yourself gave in the ruling of yesterday.

Hon. David Crombie (Rosedale): Madam Speaker, it was my intention to rise on a separate question of privilege on a matter that concerns me, but I think perhaps my remarks are appropriate on the question raised now by the hon. member for Peterborough (Mr. Domm).

It seems to me that the question he raised, as well as the questions which have been raised in the immediate past, go to the heart, at least in my understanding, of what are the rights and privileges of members. Surely if these rights and privileges are extended to all members, they must be equal. I can put no other interpretation on the words "rights and privileges of members". That does not mean "some" members; presumably it means, or should mean, "all" members. That is why I was very happy yesterday when I heard your ruling, and indeed read it again in *Hansard*, in which you indicated that in future it will amount to an appropriate question of privilege when an action involves the stopping of a member from fulfilling his duties as a member. That is why, Madam Speaker, I recognize that I should not deal with the matter which was before the House in a motion under Standing Order 43, but it is in the spirit of your own ruling that I presented a motion that all members should be treated equally when it comes to the administration of New Horizons programs.

I have some difficulty with respect to where I stand as a member because it is now the House which has said in its majority that members are equal in the administration of that program; but Liberal members have said no to that. They said that members are not equal in the administration of that program and, presumably, that means of other programs.

I would like to know and I think all members need to know whether or not those in the minority in the House have less rights than members who are in the majority party. Clearly my rights as the member for Rosedale cannot be less than those of the hon. member for Broadview-Greenwood (Mr. Rae), who seconded my motion, or indeed of the hon. member for York Centre (Mr. Kaplan). Clearly that cannot be true. The hon. member for York Centre cannot have more rights than the hon. member for Rosedale or the hon. member for Broadview-Greenwood; it is not possible. If that is true, then we have a difficulty. We now have the knot in the chain, if I recall the words of another hon. member. The difficulty we have is that, that action having been taken, I do not know what my rights are in relation to the general rights of all members. I think they should be equal.

That is why, rather than raise the question myself, I hope that the motion presented by the hon. member for Peterborough will go to the Standing Committee on Privileges and Elections, because I do not know how else to explain to the people I represent that my rights and privileges as a member representing their interests are not equal to those of members in the Liberal party. That is unacceptable. I hope, therefore, that in moving the matter to the Standing Committee on Privileges and Elections we will at least be dealing with the

principle of whether or not the privileges and rights of all members are equal; because as it stands at this point, they have been recognized by this House as not being equal.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I should like to speak to the point raised by the hon. member for Rosedale (Mr. Crombie) as well as to part of the alleged question of privilege regarding the program for senior citizens called New Horizons. As I told hon. members yesterday when the matter was raised for the first time, I had not recently seen the memo in question. Of course, I went to get a copy of it as soon as possible, and I should like to inform hon. members that memos giving a short description of each project go to every member of Parliament asking them, if they have any questions, to telephone my office. An identical memo which, instead of asking members whether they have any questions, asks them to give any comments they might have was always sent to Liberal members of Parliament—

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I do not want to interrupt the minister but I think I have to interrupt her in view of your admonition at the outset of the remarks of the hon. member for Peterborough (Mr. Domm) that there could be no reference to your decision yesterday. Therefore, I rise to remind you that that also applies to the Minister of National Health and Welfare (Miss Bégin) as it did to the hon. member for Peterborough.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. The hon. member for Nepean-Carleton (Mr. Baker) is absolutely right. I was so preoccupied in listening to the minister's argumentation that his point just slipped my attention. The hon. member for Nepean-Carleton is absolutely right and I would ask the minister not to refer to my ruling of yesterday.

Miss Bégin: Needless to say, Madam Speaker, I am not referring to or questioning your decision of yesterday. I was speaking to what my predecessor in the portfolio has just raised and on which he was not ruled out of order by you, so far as I understand. I was also speaking to the question of privilege raised a few minutes ago by the hon. member for Peterborough, at the end of which he referred to a practice which he thinks exists in my department and in my office to which I must reply in the name of all Canadian seniors so as to do what the hon. member for Rosedale wants, namely, to restore integrity to that program. I am informing my colleagues—

Mr. Cossitt: Madam Speaker, I rise on a point of order. Yesterday when I attempted to pursue this matter you ruled then, as you have ruled again today, that it could not be pursued. Yet despite the fact that five or ten minutes ago you ruled that it could not be pursued—and this has been drawn to your attention by our House leader—the minister keeps on pursuing it. I think she should be stopped immediately; otherwise, if she is allowed to continue to do so, I think everyone else should be allowed to follow her and comment on her remarks. Because I have things that are left unsaid which I would have liked to say but did not do so because I abided by your ruling. Why should the minister be allowed to pursue this matter, thereby giving a privilege to Liberal members over members on this side of the House?

Madam Speaker: It is a matter of whether a member is debating my ruling. I do not feel the minister was debating it; she was making comments on or references to similar cases which were brought up today and to what happened yesterday in the House. I think it would be wiser if we heard at this point—if the Minister of National Health and Welfare would agree—the Secretary of State (Mr. Fox), who will undoubtedly be able to address himself more directly to the point raised by the hon. member for Peterborough.

● (1530)

[*Translation*]

Hon. Francis Fox (Secretary of State and Minister of Communications): Thank you, Madam Speaker. First I wish to say that although I was in the House yesterday, I was not in however when for the first time the hon. member raised this question of access to the lists of new citizens. The first time I heard anything about this matter was this afternoon when he raised it again in the House. The hon. member complains about the fact that he was not given a list of names of new citizens. With regard to this, Madam Speaker, I would like to reassure the House and inform all members that the policy of the Secretary of State is to give to all members, on one condition I shall explain later and regardless of their political affiliation, access to lists of names of new citizens who have just acquired their citizenship in the preceding months. Hon. members who have been in the house for some years know full well that their access to this list depends on a commitment they have made some years ago to the effect that they would use these lists of new citizens only to welcome them into the great Canadian family to which they belong hereafter.

Madam Speaker, at the beginning of this session the office of the Secretary of State sent the new members a new letter advising them that they could have access to the lists of new citizens on the condition, of course, that they use these names only to welcome new citizens in our country. Therefore, Madam Speaker, this is the policy and it applies to all members and all members who advised my department that they wished to receive the names have received them since that time.

The hon. member alleges in the House today that he has not received the name list, but I am not aware of these facts. I would like to ask questions and get to the bottom of this. The policy is clear and precise, it is well established and I think that if the hon. member had asked questions in the House and given me prior notice I could have given him an appropriate

answer. Madam Speaker, I think we are simply and obviously dealing with a confusion on facts.

I am more than willing to look into the matter that the hon. member raises on the facts, because it is merely a question of facts, and not of principle. There is no deliberate attempt to prevent hon. members from either side of this House from doing what they wish to do for new citizens. On the contrary, we encourage this type of initiative by making the name lists available to them. The only condition attached to the publication of these lists, Madam Speaker, is that under part IV of the Canadian Human Rights Act, this constitutes a use of names that are in a federal data bank and these names cannot be used for any purpose other than welcoming these people in the great Canadian community.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, if this matter was only a confusion of facts, then it could be disposed of quite easily by the Chair. But there is no confusion as to the facts; that is the difficulty.

The first clear and most important fact is the matter of the fabricated documents that were given to the hon. member for Peterborough (Mr. Domm). The Secretary of State (Mr. Fox) did not answer this, and it goes right to the heart of the question of privilege. The hon. member of Peterborough said that for the month of May he, as a member of Parliament, was given a list by the department which indicated on its face that there were no new Canadians for that particular month. That is a fabrication; that is a falsehood.

Mr. Fox: Maybe it was a mistake.

Mr. Baker (Nepean-Carleton): It may or may not be a mistake.

Mr. Fox: We will look into it.

An hon. Member: You are making accusations.

Mr. Baker (Nepean-Carleton): My friend cannot answer it today. As long as it is unanswered, then the citation on page 141 of May's still must be answered by Madam Speaker, that is, whether or not a member of the House was served with forged, falsified or fabricated documents. The minister did not answer it because he cannot. If he had said in certainty today that that was the case—

Mr. Fox: I have not seen the document.

Mr. Baker (Nepean-Carleton): So that question is still outstanding. Of course, the rather unusual behaviour of suddenly finding the list under his door, which goes right to the heart of the truth of the statement, indicates shabby behaviour. I do not think the issue of privilege narrowly framed is with respect to shabby behaviour, but there is an issue with respect to whether or not that document was fabricated. If it was, then its presentation to a member of the House of Commons on the face of it raises a prima facie question of privilege, which is all Your Honour would be deciding now by agreeing to allow the hon. member to put his motion. If we are to discuss privilege in narrow terms, that is the issue of privilege.

There is another side to this that was discussed yesterday with which I cannot deal and involving the Minister of National Health and Welfare (Miss Bégin). I do not know where members of Parliament are to turn if some assurance cannot be given to the House, through the first commoner of the House, that members of Parliament will be treated equally. The Secretary of State said that in so far as his department is concerned with respect to those citizenships, that is the policy of the department. Having given that undertaking, he is to see to its execution. I think someone over there who can speak for the government ought to give assurances on behalf of the government so that Madam Speaker can look after the rights and privileges of members of the House of Commons, as we look to you as the first commoner to do your job and to look after those rights. I hope I am speaking with respect when I say that it would not be inappropriate, even given Your Honour's ruling yesterday, to suggest that what occurred yesterday was out of keeping with the appropriate practice in the House of Commons and at the very least is something which should be frowned upon.

I do not want to detract from the question of privilege which I believe is still before Your Honour, that is, the whole matter of the truth and genuine quality of the documents received by the hon. member for Peterborough. That question has not been answered by the Secretary of State. I think the Secretary of State said he will look into it and he may look into it. If he is to look into it, then this whole matter should be reserved to let him do so. I say with respect that there ought to be no ruling today, while that investigation is proceeding, which would in any way take away the rights of the hon. member for Peterborough to have his question of privilege considered. Indeed it is not just a question for the hon. member for Peterborough, although it is framed in those terms; it is a question for every one of us.

Those are the remarks I wanted to make. There is much more than just the narrow question of privilege at stake. I say with respect that if ever there was a case for reservation, today is one case, simply for the sake of the Secretary of State and notwithstanding the interests of other members of this House.

Mr. Fox: You are all heart.

● (1540)

[*Translation*]

Miss Bégin: Madam Speaker, I think you will allow me to speak on the question of privilege through which it has been suggested that members of Parliament are not all treated equally in their capacity to discharge their responsibility as members of Parliament. I think this is exactly the point that was made by the hon. member for Peterborough (Mr. Domm) and I do not understand why, when I rise to speak on the point which has been raised, the opposition is preventing me from expressing my opinion.

[*English*]

Mr. Epp: Madam Speaker, to those of us who have been in the House during the time this question of privilege has been debated it seems the hon. minister has already spoken to the question.

Miss Bégin: No, I have been interrupted each time.

Mr. Epp: You are not the Speaker. Madam Speaker, you have ruled that she has been heard. Are you now giving her a second opportunity, an opportunity that apparently does not exist for other members? Will that opportunity not be provided to others?

Madam Speaker: Order, please. I had intervened in the remarks being made by the hon. minister and I thought I should let her pursue them now that we have heard from the Secretary of State and Minister of Communications (Mr. Fox). In the interest of elucidating this question I would appeal to the minister to speak very briefly in whatever refutation she wishes to make in relation to a point that needs to be clarified, but to be very careful not to refer to the ruling of yesterday.

[*Translation*]

Miss Bégin: Madam Speaker, I thank you for your advice. I will keep my remarks very short. The hon. member for Peterborough just questioned the possibility for every member of Parliament, of whatever political affiliation, to discharge dutifully his or her responsibility as a member of Parliament. He suggested that the practices of two departments, including mine, were going against that capacity every member must have. In that regard, I want to assure him as well as all members of the House that according to the practices in my own political office every member is considered equal and that no interference can be made in respect of a project slated for his riding. I think that—so I would like to—

[*English*]

Some hon. Members: Order, order.

Mr. Clark: Madam Speaker, I rise on a point of order.

Madam Speaker: I recognize the right hon. Leader of the Opposition (Mr. Clark) on a point of order.

Mr. Clark: Madam Speaker, I rise on a point of order which has been raised before by members on this side. A question of privilege has been raised by the hon. member for Peterborough (Mr. Domm) dealing with the Department of the Secretary of State and Minister of Communications. The Minister of National Health and Welfare (Miss Bégin) in trying for the third or fourth time to bend the rules of the House, and thereby smuggle in a defence of her actions on a question decided yesterday, applies to her a special privilege that does not apply to members on this side of the House of Commons. I suggest to you, Madam Speaker, that is absolutely out of order.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. The right hon. Leader of the Opposition will recognize that there was argumentation by analogy and I had to listen carefully to the conclusions of that argument. I feel the Chair is now sufficiently informed.

Let me say in respect of the question of privilege raised by the hon. member for Peterborough that I should like to reserve my decision because of the single argument put forward by the hon. member in which he quoted a precedent of December 6, 1968 of one of my predecessors. I would want to look at the question raised in full light of that precedent. The hon. member did quote part of the decision of my predecessor, but I want to look at it more fully in order to rule on this question of privilege. I must determine how deliberate were the actions to which the hon. member referred. Certainly the documents were not official documents, that is to say, documents which were tabled in the House, and that certainly makes a difference in the argumentation which can be brought forward to prove a question of privilege.

Quite obviously, in the view of the hon. member for Peterborough the information he received was incomplete, to say the least, but no member has given me evidence that members of other parties in this House did not receive the same kind of list or documents. I have not been informed whether all hon. members received the incomplete list, or whether only the hon. member for Peterborough received that list, in which case there is no different treatment given to different members of the House. In any event, I should like to examine that situation.

I want also to look at the question whether it is part of the essential duties of members of Parliament to congratulate new Canadians upon receiving Canadian citizenship. I am sure that is a very useful thing and I am sure that new citizens of this country appreciate congratulations from their members of Parliament. However, one has to determine whether that is really an essential duty of a member of Parliament. One must decide if pursuant to the fact that he did not receive the lists on time or that they were incomplete whether the hon. member was in effect prevented from performing his function as a member of this House.

I need not remind hon. members that the duties of members of Parliament are to attend the House of Commons, express themselves freely and to vote. If an hon. member is menaced or prevented from attending the House of Commons by anyone that, of course, would be a breach of privilege. I am sure these three essential duties must be expanded to include other ancillary duties. I must look at the many precedents to see what can be interpreted as an essential duty of a member of the House of Commons, and in that way decide whether the question of privilege raised by the hon. member for Peterborough has established that he or other members have been prevented from fulfilling their duties.

On that basis I reserve the matter as I feel there may be some evidence of a question of privilege.

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I do not know whether you have now ruled out the

possibility of any further discussion on this point, but there is one thing which has not yet been elucidated in connection with this matter.

Madam Speaker: Yes, I have. I said the Chair was sufficiently informed on this question of privilege, that I reserve the matter, in order to examine it and make a ruling. I am afraid I cannot hear the hon. member on this same question.

Mr. Oberle: Madam Speaker, I rise then on a new question of privilege. I will not even make reference to the document in respect of which you will make a ruling, the ruling that you made yesterday or the decision you have made today. My question of privilege is simply that I received through the mail today in the course of this afternoon a document addressed to my person at my office address, addressing me as a Liberal member of Parliament.

Mr. Fox: That is a privilege!

Mr. Kempling: That is an insult.

Some hon. Members: Oh, oh!

Mr. Oberle: If you have any difficulty in deciding this—

Madam Speaker: Order, please. I am afraid if I listened to the hon. member on that kind of question of privilege I would be listening to a number of other members.

Mr. Domm: Madam Speaker, I rise on a point of order. I should like to thank you for reserving your decision on my question of privilege. I should like to record in *Hansard* that I have supplied all the staff documents stating that there were no citizenship certificates granted. I have turned that information over to *Hansard*. They have all the documents for your perusal.

MR. TAYLOR—APPOINTMENT OF "TWIN MEMBERS" IN CERTAIN WESTERN CONSTITUENCIES

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a question of privilege which is based on one of the axioms of democracy, namely, that when a member is elected he has a responsibility to all the people of his constituency, not just to those of his own political party persuasion. This is a very important matter. Once a member is elected and is responsible to all the people of his constituency, he is responsible also for making sure he does his utmost to see that their tax funds are not abused or wasted.

● (1550)

That is the basis of my question of privilege, and I would now like to give the reasons why I feel it is a point of privilege. In the first place, the constituency which I represent has now been informed that they have a second MP.

An hon. Member: That is a lot of rot.

Mr. Taylor: I can understand why the hon. member is getting nervous. That second MP was apparently appointed from the office of a minister, the Hon. Bud Olson. The Hon. Bud Olson also has a staff member in that office who is responsible for finding and appointing twin MPs to western constituencies. If the public is paying the Hon. Bud Olson to spend his time as a minister to twin MPs, it is an abuse and a usurping of the rights of the elected member and interferes with his work in the constituency.

Secondly, the office of the minister has been making a lot of statements on how wonderful it is that we have a helper in our constituency. The people of my constituency have not asked that their MP be given a helper. During the election they considered all candidates and they voted accordingly. They expect their member to be their member, irrespective of what party he or she may represent. Consequently, I suggest that this is a very serious matter of privilege.

The next point I would like to raise for your consideration, Madam Speaker, is with regard to whether or not public funds are being used for these twin MPs. I find that when I go to my constituency it costs me a considerable amount of money. I must use my car, take rooms in hotels and advertise that I will be in such and such a place in order that I may serve my constituents. I am asking whether or not the twin MP will be paying these expenses out of his own pocket as does the elected MP, or does the twinned MP have another source of funds?

I might say that if this was simply a matter of the Liberal Party of Canada appointing someone to help build up the Liberal cause in a constituency, I would have no objection. That is their proper right. But when a minister of the Crown uses public money to build up the image of a particular party, that is an abuse of the privileges. I would like to know who is paying the hotel, advertising and car transportation expenses for these twin MPs.

I understand that these twin MPs will send out a great many letters. Will they be able to use the frank, which is the privilege of the elected MP, in order that he may serve his constituents? I have never asked anybody in my 40 years in public life how they voted. If they come to me for service I endeavour to serve them to the best of my ability, knowing sometimes that they are not of my particular political stripe. However, they are Canadians and are entitled to service from their elected member. If the twin MP will have the same privilege as the elected MP, then I suggest it is an abuse of my privileges.

Also, I have no evidence of this but if the letters of my constituents or the letters which I send to ministers of the Crown, whom I respect as representatives of Her Majesty the Queen, are not respected as confidential, I would regard it as a very serious abuse if that information were to find a pipeline into a twin MP's office. That would be a serious abuse of democracy.

I will not enlarge on this matter, but I say that the appointment of twin MPs to an area is a totalitarian concept, a travesty of democratic principles and a betrayal of the rights in which we believe. I also request that the Liberal party is

making a very serious mistake because it is driving a larger wedge into the division which they have already created in this country.

If you find, Madam Speaker, that the points which I have raised are indeed a prima facie case of privilege, I would move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That the matter of twinning and the abuse of public funds, parliamentary benefits and the confidentiality of communications between MPs and their constituents be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I do not think that one on this side of the House could remain seated and listen to the remarks made by the hon. member for Bow River (Mr. Taylor) without making a comment in rebuttal. I submit that the matter that the hon. member has raised does not constitute a question of privilege. Perhaps the hon. member is somewhat hypersensitive about the normal democratic process operating within his riding; that is, the right of all Canadians to belong to whatever political party they choose, to attend meetings, to elicit information and to make public statements.

I can understand, considering that our party has not done too well in Alberta in the past, that the emerging Liberal presence and our reorganization there is somewhat of a shock to the hon. member for Bow River and some of his colleagues.

Some hon. Members: Oh, oh!

Mr. Rae: Are you using a microscope?

Mr. Collenette: I submit that the hon. member for Bow River and his colleagues from Alberta will have to become more accustomed to a greater Liberal presence in that province.

With regard to the question of the hon. senator from Alberta, it is not for this House to interfere with the right of any minister to assign duties to his exempt staff. There is a long tradition of exempt staff taking on political activities so long as they fall within the bounds of normal propriety. I do not think there is anything wrong with that.

Mr. Baker (Nepean-Carleton): What an answer!

Mr. Collenette: I would remind the members opposite that senators and MPs are paid indemnities. Indeed, we are given extra privileges for airplane and rail travel to serve all Canadians. I, being the representative of a particular constituency, am not prohibited from communicating with anybody in this country. In fact, I would seriously submit that the hon. member has really impinged on the concept of national unity as it has come to be adopted in this House and throughout the country by not wanting and resenting Canadians from other provinces getting to know the people of his province through twinning.

Mr. Kempling: What a silly argument.

Mr. Collenette: It is not a silly argument. I would submit that the opposition is being somewhat sensitive. The Canadian Council for National Unity wrote to me recently and suggested, if I was agreeable, that I be paired with the hon. member for Peace George-Prince River—

Some hon. Members: Oh, oh!

Mr. Collenette: Madam Speaker, the attitude of the opposition is shown in the derision with which they greeted my comments on national unity.

An hon. Member: It is "Prince George-Peace River".

Mr. Collenette: Yes, it is Prince George-Peace River.

Mr. Clark: Madam Speaker, the brief point of order that I want to raise is that, quite apart from the personal qualities which invite derision from this side of the House, our response was to the hon. member's misnaming of the constituency to which he has been twinned. If the hon. member is to be twinned to that constituency, I would suggest that he get the name right.

Mr. Collenette: Madam Speaker, I would think that the Leader of the Opposition (Mr. Clark), the former prime minister of this country, would have better things to do than sit here at four o'clock in the afternoon and make facile comments about particular things I am saying. Of course, Madam Speaker, this particular penchant of the right hon. member was recognized on February 18 and perhaps accounts for the fact that he is sitting on that side of the House today. I am sorry that I misnamed the hon. member's constituency, however.

● (1600)

I want to bring to the attention of the House that the Council for National Unity is trying to develop understanding across the country. They wrote to me as the member respresenting York East in Metropolitan Toronto and asked if I wanted to co-operate and be twinned with a constituency in British Columbia, the constituency of the hon. member for Prince George-Peace River (Mr. Oberle). I mentioned it to him in passing and I hope that the council will be in touch with him. Certainly I and my constituents would be most glad to share an understanding with the hon. member.

I would remind hon. members that there are cities throughout the country which are officially paired or twinned. It is a municipal practice. I understand that Hull is twinned with the city of Edmonton. Surely the hon. member for Bow River is not arguing against this laudable practice. What we have here, I think, is some hypersensitivity on the part of the hon. member for Bow River and a disregard, if you will, for national unity. I submit that no privileges of the House have been infringed.

In conclusion, Madam Speaker, I should like to state that the former Conservative candidate in my constituency who was nominated some two years prior to the 1979 election opened a constituency office in my constituency, had the nerve

to call it the York East constituency office and purported to be the member of Parliament for that district. That gentleman subsequently sat in this House for a brief period. I did not complain about his conduct. I would say it is a democratic right of parties and individuals in this country to associate with whomever they please.

The hon. member spoke about press releases being issued but I submit that he is really talking about some censorship of the press and is denying the people of his constituency an alternative viewpoint from Ottawa than the one it receives from its current member of Parliament.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I want to deal with the quite important question of privilege raised by my colleague from Bow River (Mr. Taylor). In commencing my short remarks I want to say how much I regret that the spokesman for the government, the parliamentary secretary, treated so lightly a question which you may well find goes to the root of the privileges of members of this House of Commons.

I should say in passing that I find it alarming, although not strange in the mouth of a Liberal, that he should find it unusual that the leader of a party in a parliamentary system should be found sitting in the House of Commons of Canada at four o'clock in the afternoon. It is our judgment, as it was in government, that leaders of the opposition and prime ministers, have an obligation to sit in this House of Commons, to take part in the debates of this institution and to show a respect for this institution, rather than treating it as a place where no one congregates.

Let me come to some points at issue here. One important matter at issue is that the parliamentary secretary, speaking on behalf of the government, said that there is a long tradition of ministers of the Crown using their exempt staff for partisan political purposes. He obviously knows whereof he speaks. He is obviously much more aware of the details of that tradition than we on this side of the House. I think, particularly in the interst of ensuring that public funds are spent for public purposes and not simply for the purposes of the Liberal party, it would be useful for us to have laid upon the table of the House of Commons an elaboration of that tradition which the hon. member claims is so well known. If exempt staff are being used as a matter of practice, funded by the Crown of Canada, to advance the partisan interests of the Liberal Party of Canada, as the parlimentary secretary has just said, then it is important that this House of Commons and the public of Canada know the details of that practice and the extent of the subsidy by the Canadian taxpayer of the political operations of the Liberal Party of Canada.

Let me come to another question of cost raised by the hon. member for Bow River. It is a matter of some real substance and has to do with who pays the extra costs incurred by a so-called twin when that twin visits another constituency in the country. As the hon. member for Bow River said, if the individual member carries that cost himself, that is fine; if the Liberal Party of Canada carries that cost, that is fine. But if those costs are borne by the public purse, if the public purse is expected to subsidize the personal expenditures of a twinned constituency of a Liberal member of Parliament, then that is an extension of the practice of subsidy for partisan Liberal purposes by the public purse of Canada. That extension of that principle should be on the record. The fact of that subsidy and the extent of that subsidy should be well known and should be on the record of this House of Commons.

It is not something that is authorized by this Parliament in the way that the budgets of research offices of all parties are authorized. It is not something that is authorized in the way certain expenditures of leaders of various parties are authorized. It is a new expenditure and a new practice; it is a subsidy for clearly partisan purposes. If that is occurring, then the House of Commons and the public of Canada, the people who pay the bills, have a right to know that it is occurring. They have a right to know the costs involved. Since it is an unauthorized expenditure it may very well, as the hon. member for Bow river suggests, breach the privileges of members of this House.

The far more important question, however, that we have to deal with here, Madam Speaker, has to do with the treatment accorded documents conveyed in confidence to an elected member of Parliament by his constituents. The hon. member for Bow River represents, among others, a national parks community which has extensive and confidential relations with the Department of the Environment and a branch of Parks Canada. He represents various farmers and very many other individuals who, by the nature and extent of government involvement in our society, now have their private affairs very much intertwined with the activities and policies of the Government of Canada. Those citizens have a right to know that communications they have with their elected member of Parliament which he passes on to ministers of the Crown will be treated confidentially and will not be passed on to someone designated by a minister as a twin. They have a right to know that confidences passed to a member by his constituents and from that member to the Government of Canada will not be violated.

We have no guarantee that this is presently the case. Indeed, there is some suspicion that the very purpose of this twinning operation may be an attempt to have people not elected by the electors of the west, and by the electors of Bow River in this case, intruding and placing themselves between the electors of Bow River and the member of Parliament for Bow River and, consequently, being an instrument by which that intrusion might be realized. It could very well be that passage by a minister of the Crown of confidential information conveyed by a constituent or by the member of Parliament for Bow River to another member of Parliament could occur. That would be a very serious breach of the privileges of this House and it is one that is properly raised by the hon. member for Bow River. It is a matter that troubles all of us very deeply, Madam Speaker.

Twinning is a new practice; it has not been done before. Perhaps we have not had a situation before where there has been a Government of Canada without representation in three of the provinces and two territories of the country. This is a

new situation and one which is bound to give rise to certain very real complexities. It is a situation which deserves to be treated more seriously than it has by the parliamentary secretary.

I hope that as a result of recognizing the importance of this matter, that it is a new development in the life and history of Parliament and that you have fundamental obligations to protect the privileges of members of Parliament, Madam Speaker, you will reserve judgment today in order to study all the implications of this new practice. It is a practice which may involve an extension beyond the accepted terms of the subsidy by the government of the Liberal party, and may very well involve an intrusion upon the confidentiality which Canadian citizens have a right to expect in communications passed by them to their member of Parliament and, consequently, to the Government of Canada.

Madam Speaker: Order, please. I should like to make a statement on this particular question of privilege raised by the hon. member for Bow River (Mr. Taylor). I do not like to accumulate questions of privilege and I feel that, if possible, I should rule upon them immediately so that the House can pursue its business.

● (1610)

In the beginning, I was quite sure that this whole matter was completely outside the competence of the Chair. I have heard representations from both sides, but the more recent arguments by the Leader of the Opposition (Mr. Clark) will cause me to reserve on this question of privilege. I must say that many arguments have been offered and not too many facts. In any event, I wish to look into the matter a little more deeply and make a judgment on another day as to whether there is a prima facie case of privilege.

* * *

SPORTS

DISBURSING OF FUNDS FROM LOTTERIES

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise on a very important point of order. With due deference to the Chair, I am not a member of the New Democratic Party. I am still in the Conservative party, just in case Madam Speaker does not realize that.

Another Loto Canada cheque has been presented to the minister of sport, which means a total amount of $12,700,000 in money for culture and art. In view of the new face on federalism the Prime Minister (Mr. Trudeau) is trying to portray to Canada, surely the Prime Minister would like his ministers to recognize that such jurisdictional questions as resource taxation, offshore mineral rights, federal spending power, lotteries, federal trade and commerce, power and communications are as important and valid as patriation of the constitution. How can the Prime Minister allow a minister, an ex-premier, to procrastinate, to break an agreement with the provinces which was duly signed by the federal and provincial ministers under the guidance of the PCO and the Department of Justice, and deny the culture, arts and sports community the money that they need? They are bankrupt.

The Secretary of State (Mr. Fox) told me personally he needs money for symphonies and cultural arts, and this minister is not cashing the cheques. This is important because they need the money.

Madam Speaker: Order, please. The hon. member is really engaging in debate. This is not a point of order.

* * *

POINT OF ORDER

MR. COSSITT—REQUEST THAT RULING OF MADAM SPEAKER BE RECONSIDERED

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a very brief point of order to ask for clarification from the Chair. If I understand correctly, Madam Speaker, you have reserved decisions on two matters of privilege raised today. If I heard correctly, you said there were many precedents to study, and I think rightly so. Therefore, I would ask this question for purposes of clarification. In view of these many precedents that need to be studied, would you undertake to reconsider the decision of yesterday against the same precedents to see whether it should be reversed?

Madam Speaker: I am afraid I could not do that. The precedent I wanted to look at was cited by the hon. member for Bow River (Mr. Taylor) on a different question of privilege. Therefore, I am afraid I cannot accommodate the hon. member on that point.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): I rise on a point of order, Madam Speaker. Today being Thursday, I wonder if I could ask the government House leader what he intends for us for the rest of the day and next week. We understand there are two days he wishes to allot to the opposition as allotted days under the rules.

Mr. Pinard: Madam Speaker, we will consider Bill C-39 and then Bill C-22.

[*Translation*]

As for next week's program, I can confirm that next Tuesday and Wednesday will be set aside for the opposition, more specifically for the Progressive Conservative Party. I hope that Monday we shall be able to complete third reading of Bill C-30 which is now in committee. I hope that it will be reported to the House so that we can complete consideration of this bill on Monday or as soon as possible next week. This is the bill to authorize additional government borrowing.

Committee Report

Moreover, Bills C-22, C-26 and C-7, as well as Bill C-34, could be dealt with next week. I believe that if we can deal with these bills before next Friday, we could provide another interesting list for the following week.

[*English*]

Mr. Knowles: Madam Speaker, because there are comments around about the possibility of a summer recess, I wonder if the President of the Privy Council has anything more he can say today with respect to the question that I believe I have asked him every Thursday for the last two or three months. Surely he would agree with me that it would be unthinkable for this House to recess without dealing with the promised legislation respecting veterans and widows of veterans. Can he today give me firm assurance that this matter will be dealt with before there is a summer recess?

[*Translation*]

Mr. Pinard: Madam Speaker, I take it for granted that the request made by the hon. member concerns the bill on veterans' pensions and that he is much more interested in this than in the summer recess. If this is the case, I can confirm that his patience and confidence will be rewarded.

ROUTINE PROCEEDINGS

[*English*]

CRITICAL SKILLS FOR THE '80s

PRESENTATION OF FIRST REPORT OF SPECIAL COMMITTEE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have the honour to present the first report of the Special Committee on Critical Skills for the '80s.

I have consulted with the House leaders of all parties and they are ready to grant immediate concurrence in this report without debate and formal vote.

Mr. Baker (Nepean-Carleton): Madam Speaker, that is agreeable to us. It is exactly in keeping with the original announcement of the select parliamentary committee.

Mr. Knowles: Yes, Madam Speaker, we too join in this agreement.

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved that the first report of the Special Committee on Critical Skills for the '80s be concurred in.

Motion agreed to.

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

• (1620)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will answered today: Nos. 48, 230, 366, 619, 778, 871, 1,040 and 1,220.

[*Text*]

VIKTOR MITROFANOVICH MYAZNIKOV

Question No. 48—**Mr. Cossitt:**

1. Was Mr. Viktor Mitrofanovich Myaznikov ever an accredited Soviet Diplomat to Canada and, if so, between what dates was he in Canada?

2. To the knowledge of the government and/or the RCMP, did Soviet Agent Sabotka, in September 1965, drive in a rented car to Brockville, Ontario in the Constituency of Leeds-Grenville and meet with Diplomat Viktor Mitrofanovich Myaznikov at the entrance of the Grenadier Inn just east of Brockville on Highway No. 2?

3. Did Mr. Myaznikov apply for permission to travel beyond the limit permitted without application to Soviet Diplomats and, if so, what destination did he state?

4. To the knowledge of the government and/or the RCMP, did Mr. Myaznikov actually hitchhike to Brockville and what was the purpose of his visit?

5. To the knowledge of the government and/or the RCMP, did agent Sabotka have a hotel room in Brockville and, if so, what was the name of the Hotel?

6. To the knowledge of the government and/or the RCMP, was Mr. Sabotka told by Mr. Myaznikov to pick up $4,000 buried beneath a tree at Belanger, Ontario?

7. Was Diplomat Myaznikov, according to security records, identified as a member of the KGB?

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): I am informed by the Department of External Affairs and the Solicitor General as follows:

1. Mr. V. K. Myaznikov was an accredited diplomat in Canada from September 7, 1964, until August 15, 1968.

2. The policy of the RCMP is to preserve the confidentiality of all information it holds on individuals and organizations.

3. The Department of External Affairs does not maintain records of travel notices for more than one year.

4, 5, 6 and 7. See answer to part 2.

URBAN AFFAIRS—NUMBER OF EMPLOYEES

Question No. 230—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Ministry of State for Urban Affairs' payroll on March 31, 1979?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised as follows by Canada Mortgage and Housing Corporation: MSUA had (a) Seventy-six permanent and (b) Five term employees on the payroll on March 31, 1979.

SUPPLY AND SERVICES—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 366—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Supply and Services (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Hon. J.-J. Blais (Minister of Supply and Services):

1. (a) 67;
   (b) i) 12;
   ii) 1.
2. (a) 69*;
   (b) i) 14;
   ii) 1.
3. No.

*Two individuals are on Interchange Canada assignments.

EXTERNAL AFFAIRS—NUMBER OF LAWYERS EMPLOYED

Question No. 619—**Mr. Howie:**

How many lawyers are employed on staff in the Department of External Affairs?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Twenty-one legally-trained foreign service officers are currently serving in the department's legal bureau. In addition, two non-rotational lawyers who are not members of the foreign service are also serving in the bureau.

MINISTER OF THE ENVIRONMENT—USE OF GOVERNMENT AIRCRAFT

Question No. 778—**Mr. Kristiansen:**

1. Since March 3, 1980, did the Minister of the Environment use government aircraft and, if so (a) on how many occasions (b) to what destinations (c) what would be the cost if commercial aircraft had been used?

2. For what reason was commercial aircraft not used?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): 1. Yes;

(a) On six occasions;

(b) March 25, 1980—Ottawa to Montreal and return

April 18, 1980—Ottawa to Washington and return

May 7, 1980—Ottawa to Halifax

May 9, 1980—Halifax to Ottawa

May 23, 1980—Ottawa to Thunder Bay and return

May 29, 1980—Ottawa to Vancouver

(c) $1,360.

2. Minister's agenda prior to departure or arrival times did not allow for use of commercial aircraft on each of the above trips.

FISHERIES AND OCEANS—NEW REGION IN THE ATLANTIC PROVINCES

Question No. 871—**Mr. Gass:**

Will there be a new region created in the Department of Fisheries and Oceans in the Atlantic provinces and, if so (a) what area will the region cover (b) where will the offices be located?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): No. There is no intention at this time to create a new region in the Atlantic provinces.

CANADIAN AMBASSADORS—UNITED STATES

Question No. 1,040—**Miss MacDonald:**

1. Who and what were the years of tenure of all Canadian ambassadors to the United States?

2. How many years of service in the (a) Department of External Affairs (b) Public Service, did each incumbent have prior to his/her appointment?

Hon. Mark MacGuigan (Secretary of State for External Affairs):

(1) Name of Ambassador (or Minister)*	(2a) Service in DEA	(2b) Public Service
Vincent Massey (1927-1930) Minister	none	none
William D. Herridge (1931-1935) Minister	none	none
Herbert M. Marler (1936-1939) Minister	7	7
Loring C. Christie (1939-1941) Minister	14	14
Leighton G. McCarthy (1941-1944) Minister, *later Ambassador.	none	none
Lester B. Pearson (1945-1946) Ambassador	16	16
H. Hume Wrong (1946-1953) Ambassador	19	19
Arnold D. P. Heeney (1953-1957) Ambassador	4	15
Norman A. Robertson (1957-1958) Ambassador	24	27
Arnold D. P. Heeney (1959-1962) Ambassador (reappointed)	8	21
Charles S. A. Ritchie (1962-1966) Ambassador	28	28
A. Edgar Ritchie (1966-1970) Ambassador	20	20
Marcel Cadieux (1970-1975) Ambassador	29	29
Jack H. Warren (1975-1977) Ambassador	14	30
Peter M. Towe (1977-) Ambassador	30	30

*Legislation was elevated to Embassy in November, 1943, so head of post of course became an Ambassador.

SUPPLY AND SERVICES—ALLOTMENT OF CONTRACTS

Question No. 1,220—**Mr. Cossitt:**

Does the Department of Supply and Services, when allotting contracts, consider whether or not the successful bidder employs union help or not?

Hon. J.-J. Blais (Minister of Supply and Services): No.

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 557 and 687 could be made orders for returns, those returns would be tabled immediately.

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that questions Nos. 557 and 687 be deemed to have been made orders for returns?

Some hon. Members: Agreed.

[*Text*]

CMHC—RURAL AND NATIVE HOUSING PROGRAM—OFFICERS OF THE CHIDAMO HOUSING PROJECT

Question No. 557—**Mr. Lewis:**

For the years 1975 to 1980, what are the names, addresses and positions held, of the officers of the Chidamo Housing Project undertaken by CMHC under the Rural and Native Housing Program?

2. (a) For the same years, what are the job descriptions and annual salaries paid to the officers of the project (b) were the salaries paid to the officers for a 12-month period and, if not, for what months of the year were they paid?

3. What are the names, addresses and legal descriptions of the properties of every participant in the project?

4. What was the original sale price and the final sale price of each unit in the project?

5. What are the names and addresses of the suppliers of materials for the prepackaged house designs for each unit in the project?

Return tabled.

COMMONWEALTH CARIBBEAN REGIONAL—LOAN THROUGH CIDA

Question No. 687—**Mr. Clarke:**

1. With reference to the loan made to the Commonwealth Caribbean Regional through CIDA detailed at page 8.67, Volume I of the 1977-78 Public Accounts of Canada (a) under what authority was the loan made (b) on what date is it to be repaid (c) what interest does it bear (d) what percentage is forgivable?

2. What form of association does the Commonwealth Caribbean Regional take?

3. What is the current value of the paid-up shares in the association?

4. By percentage, who are the major shareholders in the association?

5. In which countries does the association operate?

6. In the fiscal year (a) 1977 (b) 1978, which (i) governments (ii) non-governmental organizations received loans from the association?

7. What is the special objective of the association?

8. Of the total of all paid-up shares, what percentage are held by Canada?

9. Is Canada committed to the purchase of any further shares?

Return tabled.

[*Translation*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

Mr. Cossitt: Madam Speaker, I rise on a point of order. I note that *Hansard* of yesterday, Wednesday, makes no mention at page 2509 of the usual notices of motions for the production of papers. As one who was at a meeting of a parliamentary committee at the time I do not know whether this was an error on the part of *Hansard* in failing to include the item as usual on a Wednesday or whether it was an error on the part of the government in not introducing the usual notices of motions for the production of papers, or asking that they stand, as the case might be. I rise simply for clarification and to ask that, if there is an error in *Hansard*, it be corrected. Could the parliamentary secretary, or the Chair, enlighten those of us who were attending parliamentary committees yesterday as to what happened?

Mr. Collenette: Madam Speaker, as sometimes happens I had nothing to report under this particular part of Routine Proceedings. I did ask that other notices of motions for the production of papers stand.

While I am on my feet, might I say that the delay in responding to some of these notices of motions for the production of papers has been of concern to me. I have been looking into the matter and I hope to have a little more to report in subsequent weeks.

GOVERNMENT ORDERS

[*Translation*]

BANK ACT AND QUEBEC SAVINGS BANKS ACT

MEASURE TO EXTEND OPERATIONS UNTIL NOVEMBER 30, 1980

Hon. Pierre Bussières (for Deputy Prime Minister and Minister of Finance) moved:

That Bill C-39, to amend the Bank Act and the Quebec Savings Banks Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Madam Speaker, I will be very brief in my comments. Every member of the House is very much aware of the purpose of this bill which seeks to amend section 6 of the Bank Act and of the Quebec Savings Banks Act to allow Canadian chartered banks to extend their operations by virtue of these two acts until November 30, 1980. Without this bill, banks would not have the legal power to continue their operations beyond next July 14.

It now seems obvious that Parliament will not adopt the government proposals contained in this bill before July 14,

proposals which would provide a ten-year revision of the Bank Act and related legislation. It is therefore necessary to extend once again the application of the current banking legislation. The section by section study of the Bank Act by the Standing Committee on Finance, Trade and Economic Affairs is taking a bit more time than was planned even if the government has made known its intention to follow up on some very important proposals on matters of policy. Parliamentary committees have put in considerable time, effort and energy to study this important and complex legislation and it would seem that more time is needed for a more detailed study of some of the bill's clauses. Obviously, Mr. Speaker, I am somewhat disappointed that the House has not had the opportunity to study this bill earlier this afternoon either at the report stage or at the third reading stage; however, this bill will allow banks to operate at least for some time and allow us to continue the study of some of its clauses.

I believe that members of this House agree that we should proceed with dispatch this afternoon and I would be very happy if all members would co-operate so that we could go through all stages of the bill.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I offer no apology to anybody in the House that this bill should have been brought in. It is regrettable, I know, and I have some sympathy for the banking industry and others who feel that a new bank act, the Canadian payments association legislation, etc., should be in place by now. However, it is only because of a series of events in the past that time was unfortunately lost. I will not castigate anyone or try to say where the responsibility for the delay should lie, but during the Twenty-ninth or Thirtieth Parliament, when the committee had the contents of the banking bill before it, members had to spend a great deal of time wrestling with problems about which they had insufficient information. This has been clearly demonstrated with the presentation of Bill C-6 and with the composition of the House having so radically changed in terms of numbers, and, I may say, with some complexion.

In March of 1979 the former committee on finance, trade and economic affairs tabled its report with recommendations on the Bank Act legislation before it at that time. We have had to contend with a number of new problems, as well as with ongoing problems, and, frankly, the 80-minute sessions we normally have in practice for the committees are barely sufficient to allow a member to get started on the subject and for the minister to reply, as well as the Inspector General and other officials who may be required to do so. Incidentally, there is also the time taken up by hearing witnesses on often difficult questions. A great deal of time has been consumed. We have had a great number of meetings, so any delay is not by reason of the fact that the committee has dodged its job.

The finance committee is unfortunately beleaguered by all sorts of other legislation and some of it is required very promptly. So we are victims of a bad system of committees, as I have suggested many times in the past, and therefore this bill now faces a few matters of deep principle which, as the result of discussions, are being honed and I trust the legislation will be much better by the time the bill is passed by the committee. Once it has been concluded by the committee I think there still may be a few outstanding points but remarkably few.

I think also the ministry is learning something which is valuable in connection with legislation of this kind, namely, that the bureaucracy does not produce divine inspiration. Bills that are produced by the administration and which are fronted for by ministers are not necessarily the most appropriate. Opposition parties and outsiders might have some worth-while contributions to make. If we put forward amendments, they are not put forward cast in stone; they are put forward as a basis for discussion. I think the government has now learned that if it had been forthcoming with its version of amendments on certain points at an early date with the view that they were negotiable—in other words, that they were a basis for discussion—I think we would be clear now on a number of points. No, I will not say that the bill would have been through, I am not going to point the finger of blame for this particular situation; but I would say that this is a matter which should be learned by many ministers in this administration. It would have helped a great deal in the past.

● (1630)

It is one of the unfortunate characteristics of the Canadian parliamentary system that ministers come to committees, shall we say, to see to the passage of their bills, with closed minds. All too often they are closed because the bureaucracy behind them will not be flexible. This is a long story which I do not want to tell. I hope that we will now move on to Committee of the Whole, that this bill will pass and that we will get down to continued serious work on the bill in question, Bill C-6, which is really a complex bill, and have it in good position in time. It is easy to clear and burn a lot of the underbrush, and I hope we can do that. We have a responsibility to the banking industry and to the other financial interests in the country without which no one can function. Bank bashing is a useless and frantic procedure, and to me it has no place in the consideration of serious legislation of this kind, no more than mere bashing has in the consideration of other legislation.

Let us contribute to a good act, because much depends on it. We could have a better act, but at the present time we have to work. Let me reiterate again what I will say at another time: The sooner we get a royal commission on banking and financial institutions in this country to examine this matter in depth, the better. Hon. members of this House do not have the time—nor, frankly, if I may say so, the ability—to get to the bottom of things. Other examinations we have seen are far too incestuous; they are in-house affairs. We have the Federal Business Development Bank and many other aspects which should be dealt with, but we want to look at the whole picture so that the government may soon undertake to start proper commission hearings and arrive at recommended legislation in time for the next anniversary without any delays.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I think the public and, indeed, hon. members who have not been in the committee should be aware of the fact that there have been lengthy discussions with respect to many of the provisions of this bill and that there are several matters which remain outstanding. There are proposals which have been made to the government by my party, as there have been by members of the Conservative party, including the hon. member for Edmonton West (Mr. Lambert), concerning the Bank Act, and I think there are some remaining philosophical problems and very practical problems which I would like the minister to continue to consider as we approach the summer recess and before we return in September or October for the next stage of consideration of the Bank Act.

I remind the minister that my party has raised a number of questions, many of which have been dealt with by the minister, and I think the public should be aware of just how far we have come and, in our view, how far we have yet to go in order to have the kind of banking legislation which reflects the public interest.

There are a number of points I would like to raise. The first is the question of interest monitoring and the regulation of interest rates. The experience we have had over the last weeks and months indicates that there is a need for greater public presence. We have an extremely uncompetitive banking system and an extremely concentrated banking system in Canada. The banks have managed to accumulate tremendous marketing powers, even since the passage of the Bank Act in 1967. There is clearly a need for a greater public presence and a greater degree of monitoring and regulation by the government of the charges levied and services rendered by the banks to consumers, small businessmen and, indeed, not so small businessmen in the Canadian scene.

When a year ago one of the chartered banks decided it would go to 21 per cent, the other banks joined together and said, "No, we are not going to let the Toronto-Dominion Bank get away with that; we are going to hold the rate down to 18 per cent". The Toronto-Dominion Bank had to step back. Then all the banks took the decision that they would together go to 21 per cent on their credit card charges.

The question which has to be dealt with by the government—and there is yet to be a convincing answer from the minister—is why it is that we have such a lock-step development in all the interest rate charges which are levied on the consumer, on the small businessman and on all those people who use the services of the banks. What manipulation of differentials and spreads has there been, and is it not in the public interest, at a time when interest rates are going up and down at a tremendous pace and there is a great deal of residual manipulative power in the hands of financial institutions such as banks, to see that these rates are carefully monitored by the government? For example, today we noticed that there has been a marginal change in the bank rate charged by the Bank of Canada on its own treasury bill notes. Should we not also be monitoring and looking very carefully at what rates are being charged to the Canadian consumer for a car loan, a house improvement loan or in the area of consumer credit and small business credit? That is an issue which remains one of a difference of opinion between my party and the minister.

During question period the Minister of Finance (Mr. MacEachen) is always prepared to say that the government is going to be vigilant in this area and is deeply concerned. Then when he is actually faced with amendments from our party, there is a totally negative response, and I find that ironic. I could understand if the minister said that a certain proposal is not exactly the way he would proceed and that we would want to proceed in another way, but that is not the response. The response has been just a blanket refusal to deal with the power of banks to set rates in a non-competitive way. Evidence is very hard to garner because one has to look from quarter to quarter, but there is very little doubt that the banks have survived the period of high interest rates with healthier profit ratings than anybody expected, and they appear to be surviving, if I may put it that way, the lowering of interest rates very well indeed. There certainly have been no bank losses over this time.

The hon. member for Edmonton West speaks of bank bashing. It is not a question of bashing any particular institution. It is a question of developing an understanding as to how our economic system in fact works rather than how it is supposed to work in theory. If the hon. member for Edmonton West and members of his party have a different view, that is fine, but I do not think he can charge that we have not done our homework or that we have failed to give detailed advice, offer amendments or express concerns to the minister, with as much precision as we have been capable of in a difficult area.

● (1640)

The second area is the area of foreign banks, and I think there is still a difference between us. We are not happy about it but we recognize the reality that there is a large majority of members in this House who are in favour of admitting foreign banks to Canada. We have suggested to the minister that there should be a mandatory hearing process which would require that the Inspector General of Banks carry out an investigation of the intention of foreign banks, and indeed of any new chartered bank, to guarantee that their being given letters patent is in the public interest.

I am sorry to say that the minister has thus far refused to grant more than a purely discretionary power to the Inspector General. I think the minister should really look at what has happened in all our jurisdictions in the provinces. For example, it is difficult to get many forms of licence without going through a hearing process. Our administrative law has developed right through the provincial jurisdictions, which gives a great deal of power to parties who previously would not have been regarded to have standing, and it has become far more sophisticated and far more, if I may use the word, liberal in its granting of the right of standing and the right to a hearing. For example, you cannot get a liquor licence in the province of Ontario unless there is a hearing, unless a notice is granted,

and unless a process has been gone through. It is more difficult to get a liquor licence in Ontario than it is to become a bank under the current proposals of the government. Frankly, I think this is absurd. I think it is something that the minister should consider again in light of developments in other jurisdictions and in light of the concern that consumers have, legitimately I think, with respect to how it is that the Inspector General and the government intend to "divvy up" the $12 billion worth of assets amongst all the foreign banks that are coming into Canada.

I must also tell the minister that we are still not satisfied with the information we have as to the current activities of foreign banks in Canada. It is interesting, for example, that when the hon. member for York-Peel (Mr. Stevens) and I were asking questions concerning the activities of foreign banks in Canada, we were told that this information was confidential. We have yet to receive information on the three largest foreign banks in Canada. We know from the Inspector General that the three foreign banks have subsidiaries in Canada with assets of over $500 million, but we do not know which those subsidiaries are. We do not know the relative size of the others, and it is interesting to note that the largest banks have yet to respond to the letter which the committee has sent out. The committee has yet to receive that kind of information. I can tell the minister that if we do not have that information in October, he will have a hard time convincing me that we should be passing legislation calling for the incorporation of new institutions when we do not know what their activities are at present. It is absurd to ask a parliamentary committee to allow that kind of legislation to go through when we do not have that information.

On consumer protection, I am glad that the government has accepted our suggestions with respect to lack of penalties for prepayment, the amendments that were prepared by my colleagues and I. We regret that there is not as yet full protection for borrowers and depositors in a section in our banking legislation. We think it should be there. We proposed amendments that would have put it there and we think they were appropriate. We regret the fact that we are having to wait for further advances by a federal-provincial committee. We do not think that is necessary. We think the federal government could take the lead in this area. However, we recognize that the government has taken a small step in the right direction and we think it is an important step, both in respect of the lack of prepayment penalties and with respect to the abolition of the rule of 78.

I would point out to those people who think we should just have rubber stamped this Bank Act because it is a piece of technical legislation that no one can readily understand that we are dealing with an act which regulates activities which last year amounted to over $4.9 billion taken out in consumer loans in this country. It is an industry which affects virtually every consumer, and unless there is legislation protecting that consumer and guaranteeing that windfall profits are not made at the expense of the consumer, I do not think that legislation should be passed. Indeed that is a commitment which we will continue to make to the people of Canada.

With respect to directors, I think it is important that we notice that the government has changed its mind. It started with the principle in 1976 that those people who were bank employees should not be directors of other companies. they have reneged on that under pressures from the corporate elite, if I may use that word, and have decided that there will be no such protection.

I think the government has made a mistake. I have yet to hear a convincing response from the minister as to why the government has changed its mind in the area of intercorporate directorships. We feel it is extremely important that the Canadian consumer and the Canadian small businessman feel that they have as much access to the decision-making processes of our banks as do the directors of our largest and most powerful corporations.

In the area of leasing, I say to the minister that we think he has come part of the way in that the government has decided not to allow the banks to get into the area of car leasing. But we think that the hon. member for Lincoln (Mr. Mackasey), the hon. member for Mississauga South (Mr. Blenkarn), and indeed members of our party, have raised issues with respect to leasing that have still not been satisfied and still not been dealt with by the government. I hope again that the government will take the opportunity of the summer break to consider the leasing question. The leasing question concerns small business, it concerns capital cost allowance, and it concerns the very real question of who is going to take advantage of growth in a growing business—and there are many areas where we know the leasing business is going to grow. Will it be the subsidiaries of the banks or will it be smaller Canadian corporations which have, in many fields, particulary in the car leasing field, provided a service to the consumer? I think it is a very real philosophical question.

I know the views of the banks, of Mr. MacIntosh of the Canadian Bankers' Association and others, who have stated that for them leasing is just another form of financing and that therefore it is something to which the banks should have access. On the other hand, there are those who say this is a very important source of tax write-off revenue for the banking subsidiaries at which we should look very carefully. We should have information, it seems to me, or the rate of taxation that has been paid by the current bank subsidiaries, RoyLease for example, and see how much tax they are paying in comparison with other small businesses that are engaged in the same business. It seems to me to be a legitimate question to ask whether we are in fact establishing subsidiaries which will not be paying very much tax.

In the field of data processing, we still have concerns. Again the minister knows what they are with respect to the ability of the banks to engage in businesses which compete directly with services provided by existing corporations. The leverage of the banks is very great and the ability of the banks to compete with those industries to which they in turn are acting as bankers is a very serious question, one with which the commit-

tee is still wrestling and with which we still have to deal. It is a difficult problem and I am still not satisfied that we have sufficient information in that area.

In the field of financial disclosure, our party made a number of amendments, some of which were accepted by the government. We said to the government that we are incorporating banks into Canada under this legislation, yet we are allowing them to disclose less information than they are required to disclose in their own jurisdictions. There is a patent absurdity in passing that kind of legislation. I am glad to say that the government moved part way toward accepting the need for a little sunlight in understanding the affairs of our own chartered banks and newly incorporated institutions.

● (1650)

I should like to refer to one area where the minister did not move. We have had discussions about it but I remain unconvinced that there is any reason why the government should not require the banks to tell us, in terms of their foreign activities, how much money they are lending to particular countries and the agencies of those countries. Loans to foreign countries and their agencies is a vital question of interest to the Canadian public. It should be of interest to the Inspector General of Banks.

One area where the government is in danger of failing us and where our legislation may be very inadequate is the area of the power and ability of the Inspector General to acquire information and oversee the foreign activities of Canadian chartered banks. I have many concerns about the office of the Inspector General which I have expressed in committee. For example, I am concerned that most of the representations made by the Inspector General, in my view, were made on behalf of the banks. Also, for example, I am concerned that the budget of the office of the Inspector General is paid entirely by chartered banks in the form of a levy which is part and parcel of the Bank Act.

Just as much as I am concerned about those two matters, I think my party is deeply concerned about the fact that, if we look at the asset growth of the banks from 1967, the asset growth of the banks in Canada has been great, but the asset growth of the banks in foreign countries has been more than great. It has been quite extraordinary, to the extent that now the Bank of Nova Scotia has nearly 50 per cent of its assets overseas, the Royal Bank has 35 per cent and other banks are in the same vicinity. It is in that area that I think we are in danger of passing legislation which does not give us adequate information and adequate protection.

Why should we not know whether or not Canadian chartered banks have made extensive loans to a foreign country when the international relations between Canada and that country are of great concern? Why should we not know whether Canadian banks are exposed in Iran and to what extent they are exposed in Iran? If they are extensively exposed, should we not know that as Canadian consumers? Should I as a Canadian consumer not know that the bank to which I am lending money in the form of savings deposits has extensive interests in Chile, South Africa, Iran or any part of the world? For the life of me I cannot see why the old chestnut of the banks being required to disclose this information would be destroying the confidentiality of the client-banker relationship. How can we move from the comparison of an individual person and his bank, where the principle of confidentiality is admittedly important, to the relationship between a chartered bank and the government of a foreign country? It seems to me that extends the notion of confidentiality from one particular case to a very general, wide, political application. It seems to me at some point the principle of confidentiality is superseded by the principle of disclosure. I hope very much that the minister will reconsider that question, because I think it is an extremely important point.

I think we have made some progress in the area of section 178 where we discussed the priority which should be given to producers of agricultural products, including cattlemen. We put forward a proposal to the government which was accepted. Many members of the Conservative, Liberal and New Democratic parties spoke and participated. It seems to me that it was a very healthy discussion.

Finally, I should like to take advantage of the presence in the House today of the Minister of Labour (Mr. Regan). I have written twice to his colleague, the Minister of State for Finance (Mr. Bussières), indicating that our attitude toward the passage of the Bank Act must be affected by what is happening to labour relations in the banks and the activities of our chartered banks. The Minister of Labour will know that since the decision of the Canada labour relations board in the Bank of Nova Scotia's case, where it was decided that a single bank could be organized and was a satisfactory unit for the purpose of bargaining, there has been a drive conducted by different unions under different auspices in an attempt to organize various branches of different chartered banks.

Also the minister will be aware that in case after case, but particularly in cases involving the Canadian Imperial Bank of Commerce, the Canada labour relations board has taken not simply a dim view of the activities of the Canadian Imperial Bank of Commerce, but has specifically gone through the activities of the chairman of the board, the president and the chief executive officer of that bank and indicated that there was a systematic attempt, on the part of the directing officials of the Canadian Imperial Bank of Commerce, to subvert the rights of employees as expressed in the Canada Labour Code.

I raise the same point which I raised at second reading. How can we in this House be expected to give what are essentially charters to these institutions which give them a licence to print money? I do not know of a chartered bank in Canada which has taken a loss recently. I do not know of one which expects its assets to grow less than phenomenally. I ask the minister to review not only the reports of the Canada labour relations board but also the recent report of the advisory committee on the status of women. I ask him to consider whether it would be advisable to establish a small specialized task force in his department to examine the question of labour relations in banks and whether he would deem it advisable to call in the

chief executives of our chartered banks. He could say to them, "Look, this is not the NDP simply making a charge; this is the Canada labour relations board rendering a decision".

The minister well knows that while a quasi-judicial body like the Canada labour relations board is in a position to take certain decisions on the basis of organizing drives which come before it, it is not in a position to pass judgment on drives which never get off the ground because of the over-all attitudes expressed by chief executive officers of these banks in inter-bank memos. I think both those things are advisable. It is not being irresponsible; it is a question of doing something which responds to the needs of those employees which, in terms of numbers, is the largest potentially organizable group outstanding under federal jurisdiction. The minister does not have a responsibility to say that they are automatically unionized. That is not what we are saying, but I know the minister, with his experience in the labour relations field and as a labour relations lawyer, understands the importance of the government taking the lead by indicating that it wants to see the provisions of the Canada Labour Code lived up to. He should indicate that he intends to take some action to see that the chartered banks are not given tremendous security by the government while their employees are given none.

● (1700)

I want to indicate in closing that we support this bill, this extension, and that this is not an act of filibuster on our part. We are attempting to raise issues which are of real concern to us. I think the minister would agree we have had good discussions in committee and we look forward to further discussions to ensure that the legislation which is passed controlling our chartered banks is legislation reflecting the public interest and not simply the narrow interests of those people who happen to own our largest financial institutions.

[*Translation*]

Mr. Pinard: Mr. Speaker, I am told that the private members' hour will last 45 minutes; if I could have the unanimous consent of the House, we could, in accordance with the discussions we have had earlier, pursue the study of this measure at the committee and report stages and go on to third reading afterwards. If my colleagues would grant me the consent required, we could dispose of this bill very quickly and then proceed with the private members' hour which would last less than an hour.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. The hon. President of the Privy Council (Mr. Pinard) has relieved the Chair of a difficulty in that there was some indication or some understanding on the part of the Chair that there might be consent to move into Committee of the Whole on this bill. I should dispose of matters relating to the adjournment motion, and perhaps while doing that hon. members can consider their decision in respect of the suggestion that we do move into Committee of the Whole on Bill C-39.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—National Energy Board—Application for gas pipeline to Nova Scotia; the hon. member for Brandon-Souris (Mr. Dinsdale)—Human Rights Act—Call for amendments to provide protection against discrimination of disabled citizens; the hon. member for New Westminster-Coquitlam (Miss Jewett)—Industry—Terms of loan to Valleyfield Chemical Products Corporation—Investigation of Space Research Corporation.

GOVERNMENT ORDERS

[*English*]

BANK ACT AND QUEBEC SAVINGS BANKS ACT

MEASURE TO EXTEND OPERATION UNTIL NOVEMBER 30, 1980

The House resumed consideration of the motion of Mr. Bussières (for Mr. MacEachen) that Bill C-39, to amend the Bank Act and the Quebec Savings Banks Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): May I say that the hon. President of the Privy Council (Mr. Pinard) has indicated there is a motion before the House to refer Bill C-39 to the Standing Committee on Finance, Trade and Economic Affairs, but he has suggested the House might agree to referring the bill to Committee of the Whole. In essence he seeks the unanimous consent of the House in that regard.

Mr. Knowles: Mr. Speaker, I rise simply to say that we are agreeable that the bill be referred to Committee of the Whole.

Mr. Gamble: Mr. Speaker, could I inquire of the government House leader whether he intends that we deal with any other matter between quarter to six and six o'clock?

[*Translation*]

Mr. Pinard: Yes, Mr. Speaker, as soon as we finish with the bill on banks.

[*English*]

As soon as we finish with that, and I am told that will be done very quickly, we will move to private members' business, which will take less than 45 minutes today.

The Acting Speaker (Mr. Blaker): Pursuant to the suggestion by the hon. President of the Privy Council (Mr. Pinard), is it agreed that the bill now be read a second time and, by unanimous consent, referred to Committee of the Whole?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Blaker in the chair.

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Blaker): When shall the bill be read a third time?

Mr. Knowles: By leave, now.

Hon. Pierre Bussières (for the Deputy Prime Minister and Minister of Finance) moved the third reading of the bill.

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

Mr. Pinard: On a point of order, Mr. Speaker, I just want to express thanks to both opposition parties for their co-operation in respect of this bill. I wish to inform hon. members that tonight we will be studying Bill C-22 as the first item of business, followed by Bill C-13 which was discussed yesterday.

The Acting Speaker (Mr. Blaker): Pursuant to the motion made earlier by the President of the Privy Council (Mr. Pinard), the House will now proceed to private members' business as listed on today's order paper, namely, notices of motions for papers, private bills, public bills.

Item no. 19 in the name of the hon. member for Richmond-South Delta (Mr. Siddon). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Blaker): The House will now proceed to notices of motions for papers, item no. 6 in the name of the hon. member for Vaudreuil (Mr. Herbert).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

SALES OF CANDU REACTORS

The House resumed, from Thursday, June 12, consideration of the motion of Mr. Herbert:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings and other communications between the government and senior officials of Atomic Energy of Canada Limited during the months of June, July, August and September 1979, that pertain to the negotiation of the sales of Candu reactors either by AECL or by any private company acting with the authority or knowledge of AECL.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, it will not take me too long to conclude my remarks. I should just like to review very briefly the position of the Thirty-first Parliament on this issue, and the member's position in connection with this motion.

As I indicated before, the Thirty-first Parliament, under the guidance of the government of the day headed by the right hon. member for Yellowhead (Mr. Clark), indicated the need for a very broad inquiry in this whole area of nuclear energy. At the same time that government indicated the need for some real reform in respect of freedom of information. It was intended through that broad inquiry to bring to the surface and expose to the people of Canada the ramifications, difficulties and implications, as well as the advantages, of the use of nuclear energy in Canada and in the world. That was the right approach to this terribly important issue; freedom of information, on the one hand, and an inquiry, on the other, to expose all the ramifications of nuclear energy to the people of Canada.

What we now have is an internal examination and review. The government seems to fear this issue, so it wants to hide it again. What do we have before us? We have a very narrow request for information, which is obviously a partisan political request for information covering a very short period of time. Instead of a broad inquiry to expose to the people of Canada all aspects of this industry, we have a very narrow and specific request for information as follows:

—His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings and other communications between the government and senior officials of Atomic Energy of Canada Limited during the months of June, July, August and September, 1979, that pertain to the negotiation of the sales of Candu reactors either by AECL or by any private company acting with the authority or knowledge of AECL.

• (1710)

That period of time is a very narrow period of time, and it is confined almost entirely to the period when the Progressive Conservatives were the government. It is a narrow and despicable approach to this massive problem. Surely the hon. member could have asked for information over a period of ten years, five years or even two years, but he has limited himself to a narrow period which is associated primarily with the tenure of the Progressive Conservative Party in government. This is a despicable action and a despicable motion on behalf of the governing side of this House. As a result it should be treated in that manner.

If members opposite want information gathered for a period of ten years, or five years, then let them ask for it. Let them ask for the information so that they may table it and all hon. members may have access to it. The hon. member has not taken a magnanimous position in this matter. He has taken a very narrow, partisan position, and it is on that note that I wish to end my remarks.

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, it gives me great pleasure as the seconder of the motion to speak on this important topic. I hope to highlight how Canada can achieve a secure energy future through the use of nuclear systems.

The development of our electrical resources in the latter part of this century will shape the future of Ontario as surely as did the efforts of Sir Adam Beck and his colleagues at its outset. In the early part of the century, it was hydroelectricity which gave Ontario its industrial strength. That water power, which gave the province abundant electricity, was an indigenous resource. By 1990 Ontario Hydro will be generating more than half of its electricity by nuclear energy, a source which will give us stable, economic energy from another indigenous source, uranium.

Canada, with 10 per cent of the world's uranium, is in a uniquely favourable position to exploit the potential of that resource. Substitution is the key to our way out of the oil dilemma and it will be our ingenuity and perseverance in finding methods of substitution which will determine our energy future. The use of uranium in electrical generating stations is an obvious form of substitution, and the economics of nuclear generation have already been established.

In Ontario, where the competition is imported coal, electricity is being produced by nuclear plants at half the cost of that produced by burning imported coal. I agree with the hon. member for Edmonton East (Mr. Yurko) who said, as reported at page 2055 of *Hansard* for June 12:

> Canadians can be very proud that they have contributed to the development of nuclear energy.

He went on to say:

> I am convinced beyond a shadow of a doubt, as are many experts in this field, that mankind not only needs nuclear energy desperately in the evolving civilization, but knows how and has available at its fingertips the ability to cope with the problems resulting from this industry.

It is a very wise man who said those words. He should be sitting on this side of the House.

In France, a country entirely dependent on imports for its oil supply, a realistic, aggressive campaign is under way by the state electric utility, EDF, to seek ways in which industry can electrify its operations. A team of 100 specially trained young EDF engineers are working out in industry to promote the concept and educate industrial engineers. Fifty per cent of the new homes being built in France are equipped with electric heat. This, it should be appreciated, is taking place in a country where electricity is far more expensive than it is in Ontario where the combination of hydraulic and nuclear generation has kept costs down.

The key to France's bid for both self-sufficiency and a high energy society is the pursuit of a strong and highly advanced nuclear power program which will supply 50 per cent of that country's energy by the end of this century. The nuclear decision in France has meant that a secure and increasing supply of electricity can be made available, an attraction for many major industries. One result has been that the European aluminum industry will concentrate its plants in France, giving that country a new industry with an export market throughout Europe, while we sit and quibble over whether or not to sell our Candu reactors to this country or that one, or whether we are going to be in this market or not, or whether we should have these double standards which the mover of this motion talked about at the beginning of his remarks.

It is not only as an electricity producer that nuclear reactors can provide answers to our energy problems. The *in situ* extraction of oil from the tar sands calls for huge quantities of steam. A 125,000 barrel per day plant requires something like the entire steam output of one of the Pickering reactors. Cheap steam from nuclear reactors is nothing new. At the Bruce nuclear power development near Kincardine, the reactors supply steam to the chemical plant which makes heavy water as well as supplying electricity to the Ontario Hydro network. Last year the amount of heat supplied in this way was equivalent to the heating requirements of about half a million homes, and studies are in progress to see how other industries can be attracted to the area by such economical energy supplies.

The hon. member for Vancouver-Kingsway (Mr. Waddell) asked a question with regard to solving the problem of nuclear waste. I think we do have the technology to solve the problem of nuclear waste, but I will leave that topic to other speakers later on in the debate.

Another kind of waste is also very important, and that is the waste of heat escaping into the atmosphere from these nuclear reactors. In the future surplus heat from the Bruce reactors could be used in greenhouses, which is an idea suggested by one of my constituents, Mr. Czubak. The surplus heat could also be used in a fish farming project built near the plant. The Ontario Energy Corporation and a group of private investors already have a one acre experimental greenhouse in production to demonstrate the feasibility of such a project. This year they will add 14.4 hectares—for the hon. members of the Conservative party, that is 35 acres—of greenhouses in anticipation of the building of a hot water pipeline from Bruce. Eventual plans are for 60.6 hectares or 150 acres of greenhouses, all heated by surplus nuclear heat.

At the other end of the scale is the development of mini-reactors which could replace oil furnaces in factories, shopping complexes and large buildings. The University of Toronto, like a number of other large universities in Canada, operates a small research reactor on campus, a fact perhaps which is not known by hon. members opposite. It operates unattended, is self-regulating and produces only a few kilowatts of heat. It is this type of reactor which we believe can be developed into a replacement for the oil furnace.

This government is showing decisive leadership by encouraging such imaginative projects which are pointing the way to a future in which this country can secure real self-sufficiency in energy without incurring the drastic alterations of a lifestyle which hon. members of the NDP would have us believe are inevitable. The growing evidence around the world is that the economic structure of the advanced nations can survive the ratcheting of oil prices by OPEC and the far more severe disruptions which lie not too far down the road as oil supplies dwindle.

● (1720)

We are all too well aware of the disruptive effect which the uneven distribution of our natural energy resources has on provincial relations. The transportation of coal, gas or oil from our western provinces to the industries of the east represents a formidable challenge when compared with a nuclear economy in which a single truckload of fuel will keep a plant in operation for a whole year. Uranium not only is found in most parts of Canada but its ready transportability can assist us in moving towards equality of energy pricing across the country. The cost of a nuclear kilowatt differs very little whether it is generated in the maritimes or the heartland of Ontario. I hope hon. members on the Conservative side noticed the term "kilowatt"—it has always been the measurement in this industry.

The Candu nuclear power stations built by Ontario Hydro have already saved more than $1 billion in foreign exchange and by 1990 that figure will have grown to $16 billion.

The hon. member for Vancouver-Kingsway last week complained in this debate that Atomic Energy of Canada refuses to give out information. At page 2054 of *Hansard* for June 12, he is reported as follows:

> Atomic Energy of Canada seems to feel that it is above participation, that it is above inquiry. If anyone wants to ask a question of Atomic Energy of Canada, any interested groups of citizens, we hear the reply that Atomic Energy of Canada will not participate, nor will it give us information.

I would ask the hon. member where he was when AECL had a display in room 200 in the West Block. He could have got all the information he wanted there. I would also refer him to the annual report of AECL where he would have found the financial statement he asks for, as well as all the information on waste management, etc.

As an existing and proven alternate energy, nuclear power can make a significant contribution to the over-all energy supply which is a prerequisite for economic growth in Ontario and in Canada as a whole.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I take part in this debate for the production of papers from AECL with some degree of interest. I have read the motion, of course, and I want to say that not only do I agree with the call that all documents—notes, minutes, correspondence and other communications from AECL during the months of June, July, August, and September, 1979—be made available to the House of Commons, but I would call for all documents from AECL going back for a period of years and right up to the present time.

I should like to see the hon. member for Vaudreuil (Mr. Herbert) broaden his outlook a little and realize that this company, a Crown corporation, in the final analysis has to be answerable to this House of Commons through a minister of the Crown. It should be only too happy to make the documents available and the hon. member should be very forthright in encouraging it to do so.

I had the feeling, however, that in putting forward his motion the hon. member for Vaudreuil was doing more than just asking for the documents for a certain period of time. In reality I think he was indulging in that game that so many members of the government benches seem to be playing these days—that is, kite flying for the government. In his case it is a game of kite flying on behalf of the government to forward a policy—to endorse and push a policy of lowering the safeguards policy on sales abroad of nuclear equipment by AECL on behalf of Canada. That seems to be the goal that he and other members have in mind.

One has only to look at the current negotiations with Argentina for a good example of this. The hon. member for Vaudreuil raised that question when he spoke. He advocated, of course, further sales of Candu reactors to Argentina even though that country is not a member of the non-proliferation treaty nations, has not signed the non-proliferation treaty nor has it agreed to Canada's full scope safeguards. It is a country which is in no way prepared to meet the kinds of standards Canada has set for itself in trying to be an example to other countries of how to contain the proliferation of nuclear explosions around the world.

I imagine that if we were to get the papers from AECL down to the present day—and I hope the hon. member will endorse that suggestion—we might find that in the present deliberations between AECL, ministers of the Crown and government officials from Argentina somehow or other there will be a write-off of the mounting debt of AECL on its construction of the Embalso plant in Cordoba province. We have already absorbed a $130 million loss on that and now there is the potential of another $30 or $40 million loss. In order to get a write-off and relieve the Canadian government of that kind of additional debt, we have somehow or other fiddled around with the safeguards that the previous Liberal government had established and that the Conservative party had endorsed.

It was not always that way with the Liberal government. There were those previously who took a very strong and courageous stand—ministers who had the courage to introduce, defend and enlarge the number of countries who would abide by the standards of safeguards that we put into effect. When the Hon. Don Jamieson was secretary of state for external affairs, he introduced safeguards on December 27, 1976. At page 2256 of *Hansard* for that date, he said:

> While the Canadian government recognizes the legitimate energy requirements of its trading partners, it is determined to do everything within its power to avoid contributing to nuclear weapons proliferation. It is for this reason that the Government of Canada has unilaterally decided to strengthen further Canada's safeguards requirements.

Perhaps the hon. member for Vaudreuil would pay particular attention to the next passage. Mr. Jamieson said:

> As in the past we are prepared to accept the commercial consequences of being clearly ahead of other suppliers. This is the price we are prepared to pay to curb the threat to mankind of nuclear proliferation.

That was the kind of courageous stand that was taken by a former Liberal secretary of state for external affairs. I wonder how many on that side of the House take that stand today. Certainly when the Minister of Transport (Mr. Pepin) was in opposition he had some questions about such a stand, and now

the hon. member for Vaudreuil questions it. He does not have the courage to stand up and defend the safeguards that are in place. These could be changed or downgraded.

● (1730)

Of course, Mr. Speaker, he did not have the courage either to stand in his place and make the charges against me personally that he made outside the House. That seems to indicate what he is all about. I found it rather interesting that he knew he could not make those kinds of allegations in the House and defend them under the rules. No. What happened was that in the CP story of June 13 this year it said:

> Herbert, MP for the Montreal riding of Vaudreuil, told the Commons yesterday afternoon that a former Progressive Conservative cabinet minister apparently interfered with Atomic Energy of Canada Ltd., the Crown agency that sells nuclear technology, and effectively ensured a breakdown in communications with Argentina.
>
> Herbert did not name MacDonald in the House but confirmed later she was the cabinet minister to whom he was referring.
>
> He said the charge was based on a complaint made by one of his constituents interested in the sale of reactors.

I find that to be one of the most invidious ways of going outside the House. The hon. member would not name the minister in the House of Commons, would not name the constituent, and would not name what the charges were that the constituent was upset about. None of this would he do in the House of Commons. Of course he would make all sorts of allegations outside. That is exactly what I expected from the hon. member for Vaudreuil.

It is rather interesting that we see more and more of this deterioration of Liberal concern for the maintenance of nuclear safeguards in this country and as we apply them to other countries. When you look at what the hon. member for Vaudreuil is doing, obviously he seemed to want to make sales of Candu reactors to Argentina under any conditions whatsoever, just accept anything. I say to him that this is not the same as going out and selling other commodities. The sale of a nuclear reactor or nuclear technology has within it the potential for destruction of people around the world in a way that no other commodity has. The hon. member for Vaudreuil should be prepared to face up to that, and face up to the responsibility that goes with being a member of the House, certainly the responsibility that being a member of the government carries with it on matters such as this.

This afternoon when the Minister of Energy, Mines and Resources (Mr. Lalonde) was questioned about further sales to Argentina and under what conditions, he evaded giving direct answers. Of course he did. Even the hon. member for Vaudreuil must know that now we are getting into a series of discussions that are shrouded in secrecy between cabinet ministers, AECL, and officials from Argentina. They certainly could allow for our safeguard standards to be lowered. I hope that every concerned member in the House of Commons would fight against that, including even the hon. member for Vaudreuil.

It would be interesting if he would expand his motion to cover what was going on in April of this year when Admiral Madeira paid his visit to Ottawa to meet with ministers of the Crown and members of AECL, to conduct negotiations with regard to sales of Candu reactors. In that way he could find out exactly what was the *quid pro quo* for writing off the additional losses that AECL has had because of the bad business practices and maladministration of their work in Cordoba in the building of the Embalso plant. It would be interesting to know what the *quid pro quo* is. It would be interesting to know whether the hon. member for Vaudreuil is aware that his government is prepared to write off $30 million or more as a result of the way the whole enterprise has been mishandled from beginning to end, since the time it went into effect.

We had a situation where a reactor was sold by AECL to Argentina. That sale, through several renegotiations, cost the Canadian people $130 million. Already we have had to pay that amount for selling them this reactor. The cost has gone even higher, and discussions are now under way between our government and Argentina as to how to cover that loss. That is something that perhaps the hon. member for Vaudreuil will include in his motion so that we have all the material out on the table and under public scrutiny when we are looking at the question of AECL.

As a number of my colleagues have said, had we been able to pursue the public nuclear inquiry that the Clark government had set up, all of this would be common knowledge now. It would all be in the public domain. However, what happened to the government of which the hon. member is a part? Immediately it wraps a mantle of secrecy around everything it is doing.

Of course it is not what the government is doing that the hon. member really wants to know. It is not the current situation with regard to Argentina that he wants to know anything about. No, indeed. It is not the write off of $30 million, further losses, or anything of that nature. He really wants to duck the whole issue. That is what I find rather interesting in that he simply does not understand the situation. He does not want to know the facts, and certainly does not seem to care one little bit about Canada's maintenance of the safeguard policy.

It would be interesting if he would look at what went on last summer when some of us who felt strongly about safeguards argued that there should be no lessening of safeguards on the sale of nuclear equipment and nuclear technology, regardless of whether it is to Argentina, Pakistan, India, Brazil, South Africa, Israel or any other country that has not signed the non-proliferation treaty. We have already seen the kinds of damage, problems, and situations the world is placed in when those safeguards are not in place.

I would hope the hon. member for Vaudreuil would enlarge upon the motion he has put forward to include all of the documentation from AECL going back to 1974 when the Embalse plant first saw the light of day. If we have all of the documentation on the table, he can take a clear look at the difficulties caused by the procrastination and ill-founded documentation put forward by AECL.

AECL had to go back and renegotiate the agreement twice because it was not carried out properly. It was not written properly in the first place. Now they are trying a third renegotiation. I hope the hon. member will be honourable enough at least to ask for the whole story.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I wish to take a few minutes this afternoon to discuss the motion before the House and give my approval to what it asks for and bring a particular aspect to the whole question of information about the nuclear industry and what is taking place in that part of our present day world.

• (1740)

I bring to this debate a specific piece of information provided only recently in the course of the hearings on the subject of uranium refineries which were held in Saskatoon, Saskatchewan. A large number of people appeared at these hearings and spoke with deep personal concern about the fact that they had in the past been, in a sense, whitewashed by the uranium industry—that they had not been told the truth about what had taken place. I have here a little booklet called "Why People say No". In it, Saskatchewan people, as well as people from all over Canada, express their concern about the fact that they have not been given up to date information about what is happening in the nuclear industry, and I should like to put a couple of short passages on record to indicate the broad spectrum of information which the people wanted but which did not appear to be found acceptable by the commission at that time. For instance, a student I know personally spoke of the inquiry—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but, according to Standing Order 48(2), after one hour and 30 minutes of debate, we have to end the debate and put the question. However, under the same order the mover of the motion is entitled to an additional five minutes if he wishes.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, we had an interesting discussion on the last occasion when this subject was under consideration, and again this afternoon. The debate has brought out the role nuclear energy can play in meeting the energy needs of Canada in the years ahead. We have heard reference, also, to the role it can play in providing developing countries with a cheap and dependable source of energy. There has been some discussion of waste disposal, an area of concern, an area of interest to many both in Canada and abroad, but one in which significant progress has been made in meeting the challenges which that particular aspect of energy involves. The role which nuclear energy can play in assisting the developing countries in particular, the question of non-proliferation of nuclear weapons technology and ensuring it is not abused has also been discussed, most recently here this afternoon.

Canada's desire to share her peaceful nuclear technology with other countries which can put it to good use must be balanced by a perception of its potential danger. The Canadian people would not countenance the diversion of our nuclear exports for destructive purposes.

Proliferation is essentially a political problem among nations, rather than technical. Safeguards on civilian nuclear technology are only one aspect of the political problem. Countries wishing to obtain nuclear weapons can do so without recourse to civilian nuclear power technology. In any case, most would prefer to avoid complicating a weapons program by linking it to facilities intended for energy supply.

Policies which emphasize restriction of technology, without taking into account the legitimate energy needs of other countries, may push them toward self-sufficiency using unsafeguarded national facilities. The denial of technology can exacerbate the problem of achieving international consensus on a non-proliferation regime. At the same time importing countries must respect international concern about the risks of proliferation. The non-proliferation regime must devise ways of maintaining the technical and institutional barriers between civilian and military applications of nuclear energy.

The recent international nuclear fuel cycle evaluation (INFCE) in which Canada participated fully, has been useful in developing a common understanding of the technical base for future nuclear developments. INFCE concluded that there was no technical "fix" to the problem of proliferation. Basically, it requires political solutions. INFCE indicated that a number of countries will be proceeding with plans to reprocess their irradiated fuel and to recycle plutonium. From this arises the need for better institutional and technical arrangements to deal with the safeguards aspects of enrichment, reprocessing plants, and with advanced fuel cycles generally.

The basic policy issue in the post INFCE period is how to reconcile the needs of countries with nuclear programs for assurances of supply of technology and fuel with the need for a stable, effective non-proliferation regime. What is needed now are acceptable international agreements, which may help to do away with the need for extensive case by case bilateral negotiations. In particular, one difficult question which Canada must address is how it will exercise its right of prior consent over reprocessing. In international discussions which Canada hopes will take place in the near future, the government expects that its concerns over the proliferation risks associated with reprocessing can be reconciled with its nuclear partners regarding assured supply and use of uranium of Canadian origin.

The international nuclear market will continue to present difficulties in both the economic and political domains, but we are working to overcome them. The government is reviewing its policies with a view to deciding how the national interest can best be served in a way consistent with our responsibilities to the international community. We must now again work with others in directing our energies to the evolution of a sensible international non-proliferation regime. The most effective contribution we can make to that effort will be one which gives equal weight to the two sides of the nuclear dilemma—the quest for energy security and the quest for control over the spread of nuclear weapons.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in my opening remarks I must express my pleasure that the hon. member for Kingston and the Islands (Miss MacDonald) spoke this afternoon because it gives me the opportunity to underline the reason for the motion. I will begin by reading the relevant remark as it appears at page 2050 of *Hansard*. I said it appeared to me that a minister of the Crown at that time was interfering with the operation of a Crown corporation which should have been independent of government interference.

It is quite apparent from the remarks that were made on June 12 by the hon. member for Vancouver-Kingsway (Mr. Waddell) that he thought I was trying to promote the sale of Candu reactors. I tried to make it clear that I was not expressing an opinion either for or against; I was simply saying that the expressed intent of Atomic Energy of Canada Limited was to make export sales and I was objecting to an apparent interference by an important minister of the Crown in the operation of a Crown corporation which was intended to be independent of government interference.

I raise this issue because it will come up later and in the future. If I could put my personal opinion on the record, though, I think there should be a lot more government interference in Crown corporations. Nevertheless, if they were set up to be independent they should remain independent.

There are two means of interference. One of them is, of course, by stopping communications between interested parties, which effectively puts an end to negotiations for a sale. If the hon. member for Kingston and the Islands feels any better about it, I may say I have good reason to believe that action of this kind was going on prior to the change of government by which the hon. lady became a member of the cabinet.

I have objected to the double standard. I want to see our standards clearly established and put on the record. I want to see us abide by our own standards, and I want those clearly established.

• (1750)

Miss MacDonald: Mr. Speaker, I rise on a point of order just so I have clarification from the hon. member for Vaudreuil (Mr. Herbert). He mentioned stopping. I think the words he used were "stopping of communications". I stand to be corrected, but it seemed to me that he was implying that I had stopped communications. It that is so, I would like him to spell out the exact details of what I was supposed to have done, because he is making a charge of which I know nothing.

Mr. Herbert: Mr. Speaker, I spoke of the stopping of communications between AECL and the representatives of another country who were interested in purchasing a Candu reactor. I make that very clear.

Miss MacDonald: By whom? Who stopped them?

Mr. Herbert: If it is the policy and the intention of this government, the past government or any other government, to sell Candu reactors or not to sell Candu reactors, I accept that decision. I was objecting strongly to any personal intervention which imposes the ideas of an individual on a supposedly independent Crown corporation.

Mr. Wilson: Mr. Speaker, I rise on a point of order. I am sure the hon. member would not want to mislead the House on this question of the interruption of communications. I was the minister who went down to Argentina on this particular point, and I want to make it absolutely clear that the then secretary of state for external affairs did not in any way try to stop communications. In fact the point at issue was that there was no communication between the previous government and Argentina.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Vaudreuil (Mr. Herbert).

Mr. Herbert: Mr. Speaker, I am well aware of the work which was done by the hon. member who has just spoken. In fact that was the only bright light on the whole picture at that time.

We have sold a reactor to Argentina. That is a fact. I do not want to get into whether that was a good deal or not. That is another issue entirely. We could have concluded another sale to that country. However, as with any export business, aggressive salesmanship is necessary.

I am well aware that when I placed this motion on the order paper I was asking for the production of some documents which would not be made available to me, and it should be apparent that I do not have sufficient information to be able to ask for the specific communications to which I referred in my remarks in this House on June 12. Without going any further, then, I request that the motion be withdrawn.

The Acting Speaker (Mr. Ethier): In accordance with Standing Order 50 the motion can be withdrawn only with the unanimous consent of the House. Does the House give its unanimous consent for the withdrawal of the motion?

Some hon. Members: Agreed.

Motion withdrawn.

Miss MacDonald: Mr. Speaker, I would like to serve notice that I want to reserve, for the period of time following question period next week, the right to raise a question of privilege regarding the charge laid against me in the House this afternoon by the hon. member for Vaudreuil (Mr. Herbert) that I personally interfered by stopping communications between AECL and government officials of Argentina, and to demand that the hon. member produce evidence to that effect.

The Acting Speaker (Mr. Ethier): The remarks of the hon. member will be brought to the attention of Madam Speaker.

The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At 5.54 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

• (2000)

GOVERNMENT ORDERS

[*Translation*]

ADJUSTMENT OF ACCOUNTS ACT

MEASURE RESPECTING ACCOUNTS OF CANADA

Hon. Donald J. Johnston (President of the Treasury Board) moved that Bill C-22, an act to adjust the Accounts of Canada and to make related amendments to certain acts be read the second time and referred to the Standing Committee on Public Accounts.

He said: Mr. Speaker, the proposed bill is designed to implement many recommendations concerning technical improvements to be made to the Government of Canada's financial statements and to write off certain loans.

In 1973, the then secretary of the Treasury Board, Mr. Osbaldeston, undertook a study on the accounts of Canada with a view to resolving many accounting problems which, in the preceding years, had been studied by the Standing Committee on Public Accounts or raised by successive auditors general.

This task force was made up of representatives from the Department of Finance, the Department of Supply and Services and the Treasury Board Secretariat. Mr. Glenn Ross, a chartered accountant from Coopers and Lybrand, an accounting firm established here in Ottawa presided over the group and he acted as special accounting consultant to the secretary of the Treasury Board. The study was completed in October 1975. Its 41 recommendations were accepted by the Treasury Board and by cabinet, and in March of 1976 they were submitted to the Standing Committee on Public Accounts which approved them.

Recommendations 10, 11 and 12 contained in the report summarize the main purpose of this legislation and they explain the concepts of assets and liabilities from the point of view of the Canadian government. To meet these new definitions, we will have to delete certain items which were previously registered as assets and recognize that in the future, these disbursements will be considered as expenses, not as assets.

In order to make these necessary changes, we have used a method which consisted of three steps. First, to indicate the changes brought to the financial statements of the government as of March 31, 1979, the Minister of Finance (Mr. MacEachen) exercised the authority conferred to him by section 54(2) of the Financial Administration Act to provide, for the assets and liabilities, such reserves as he deems necessary in order to have an exact picture of Canada's financial situation. The second step consists of the application of part of the legislation which rescinds all legal powers with respect to various accounts, funds and loans to be deleted. The third step will consist of the application of part of this same legislation which provides for the deletion of outstanding amounts which are registered in the accounts of Canada as of March 31, 1980. Most of the deletions concern the Unemployment Insurance Fund and the Airport Revolving Fund.

[*English*]

The exact amount to be deleted will not be known until the actual balances at March 31, 1981, are established. The $3.8 billion estimate of the balance to be deleted that was quoted in our press release of April 28, 1980, was based on figures published in the public accounts for 1978-79. Since the press release, preliminary figures for the year 1979-80 have become available from the end year accounting records, and the estimate of the amount to be deleted can now be revised down to $3 billion. This change occurred because the government's cost of paying benefits to the unemployment insurance fund was reduced by about $1 billion in the fiscal year 1979-80 from what it was in 1978-79. This reduction in the government's cost of paying benefits was due to a new formula that increased the share of costs to employees and employers, reduced benefits paid because of some new rules, and a slight improvement of the rate of unemployment.

The objectives of this act could have been met through special supplementary estimates followed by a special appropriations act, but because they are accounting adjustments rather than spending initiatives, and because they represent a significant change in accounting policy, it was felt that they would be better explained through a separate act. In keeping with this philosophy, it was decided to include in this act only those items which has been previously agreed to and publicly acknowledged in the financial statements of Canada. Note three of the 1979 Public Accounts relates to recommendations 10, 11 and 12 of the study of the accounts, and to the write-off of certain loans which are also included in this bill. A more detailed explanation of the major items is provided in the following comments.

• (2010)

I should like to deal with unemployment insurance. The largest amount involved relates to the unemployment insurance account. At March 31, 1980, advances by the government and other current obligations to this fund were in the order of $1.6 billion. The following details will explain how that amount is determined. The unemployment insurance account is intended to be self-sufficient as long as unemployment remains below a specific rate. Until January, 1976, that rate was fixed at 4 per cent, but now it is calculated using an eight-year moving average of the unemployment rate. For example, the moving average rate used for 1979 was 6.6 per cent. The government is required to pay the fund for the cost of benefits attributable to unemployment higher than this rate.

The Canada Employment and Immigration Commission pays out benefits based on claims, but it has not been receiving the government's share of the cost until the calendar year has ended and the annual rate of unemployment becomes known. However, the commission requires funds to meet its interim needs. These needs have been met from the contributions of employers and employees and advances provided by the government against its eventual share of the cost of unemployment. These advances have been treated as an asset of the Government of Canada, and at the end of each fiscal year their total value has been reported in the Public Accounts and in the government's statement of assets and liabilities. The advances to the unemployment insurance account made by the government to meet the expected cash requirements of the account at March 31, 1980, totalled $1.025 billion.

A calculation was made of the government's cost of paying benefits for calendar year 1979 plus January to March, 1980. This total cost exceeded the advances by $574 million and is an obligation of the government to the unemployment insurance account. Therefore, the total amount of the required adjustment is $1.025 billion plus $574 million, for a total of $1.599 billion. This adjustment has the effect of recognizing the total government's cost of paying benefits to the unemployment insurance account up to March 31, 1980, and better disclosing the government's expenditures. Bill C-22 will obviate the need to make this kind of adjustment in the future, since the act to adjust the accounts of Canada will require that the government recognize as budgetary expenditures its cost of paying benefits to the unemployment insurance account on a monthly basis.

The next item of significance with which this bill deals is the subject of revolving funds. It is the next largest amount dealt with. It relates to revolving funds and working capital advances. In a separate decision in response to other recommendations of the study of the accounts of Canada to which I earlier made reference, the Treasury Board approved a change to the method used to control revolving funds and working capital advances to become effective April 1, 1980. Under the previous accounting method the additional moneys provided by appropriations over revenues collected were treated as loans or advances rather than expenditures of the government. Recommendations 28 through 39 of the study of the accounts dealt with improvements to the methods of accounting for and disclosing the activities of these funds.

The approved change will recognize advances as budgetary expenditures at the time at which they occur. This is instead of treating them as non-budgetary loans. If a fund generates an excess of revenue over the money advanced, this amount in turn will be treated as a reduction of expenditure. In conjunction with the implementation of this change, it will be necessary to delete the outstanding balances of all such accounts effective March 31, 1981, and that is one of the purposes of the bill. The total of these balances as at March 31, 1980, was $859 million and involved some 56 separate accounts belonging to 17 different departments. About $650 million of this sum is the result of loans made to the airports revolving fund, much of which was required to finance the construction of Mirabel airport and the Pickering land assembly.

The only significant addition to Bill C-22 from its predecessor Bill C-13 is the last part called "Authorizations for Certain Revolving Funds". These are set forth in clauses 22 to 33 of Bill C-22. Generally parliamentary authority for revolving funds not originally authorized in specific legislation would be approved or rescinded through supplementary estimates. However, because of difficulties associated with co-ordination and timing between supplementary estimates in fiscal year 1980-1981 and Bill C-22, it was considered appropriate to include the rescinding of all previous revolving fund authorities and establishing new revolving funds in this bill. It is intended that future amendments to the revolving fund authorities set up by this bill will receive parliamentary authority through supplementary estimates. Consequently a special clause is included in this bill to facilitate amendment by an appropriation act.

There are some miscellaneous changes as well. For example, another amount to be adjusted relates to unamortized bond flotation costs. Prior to 1977 the flotation or administrative costs of issuing government bonds were recorded as assets and then charged off to expenditures over the life of the related bond issue. However, since 1977 the government has recognized flotation costs on new issues as expenditures at the time the issues were made. The balance of unamortized flotation costs of $140 million for issues prior to 1977 needs to be deleted from the accounts of Canada.

A fourth major item to be adjusted arises from loans totalling $387 million made to finance certain types of capital expenditures for the Canadian Broadcasting Corporation, the National Capital Commission, the Northwest Territories and Yukon Territory. Payments of principal and interest on these loans have not been made since March 31, 1975, because commencing on that date any new capital expenditures have been treated as normal budgetary expenditures of the government. These old loan balances have continued to be carried as assets in the accounts of Canada, pending the granting of parliamentary authority to delete and recognize them as expenditures.

[*Translation*]

Mr. Speaker, in addition to these assets, certain liabilities of the government have to be terminated to rectify the accounting and improve accountability to Parliament. These special accounts, until now designated as liabilities by the public accounts, basically constitute accounts which allow the agency involved to hide allocation of funds and revenue produced by sales so that these funds cannot be cancelled at the end of the fiscal year.

These accounts are as follows: the National Museums purchase account, the National Museums special account, the National Defence special liability account, the National Library purchase account, the Railway Relocation and Grade Crossing fund and the National Capital fund. I repeat that this bill proposes no new cash expenditure. It aims at implementing the recommendations included in the study of the

accounts of Canada which were authorized by the Treasury Board and the cabinet of the former government and supported by the Standing Committee on Public Accounts.

Mr. Speaker, we are now working on a policy concerning the evaluation of the posted assets of the government. We expect this policy, which aims at developing procedure and methods for calculating and registering asset values, to be ready for the preparation of the public accounts of 1980. Mr. Speaker, basically, this policy will enable us to show more accurately the value of the posted assets of the government, that is, the sums that are expected to be collected or recovered through financial claims.

● (2020)

[*English*]

I should indicate, Mr. Speaker, that there will be several, very few in number, technical amendments which will be brought forward during the committee stage of this bill.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I am very pleased to speak first for our side on this long awaited Bill C-22, to adjust the accounts of Canada. As the minister knows, it has been a long time coming, and I think the House may well ask itself why the bill has come to us at this time and why the government all of a sudden felt moved to proceed with Bill C-22. The reason, I think, can be stated fairly easily.

The government has realized that the jig is up, or it has been caught with its hands in the till, if I can put it another way. It has been a long time that the House has been attuned to the fact that this bill was necessary. I, as a member of this House, and as a chartered accountant, have long been lamenting that the accounts of Canada were not presenting the facts in accounting language as they should for an enterprise of the size of the Government of Canada. I have not been alone in that kind of concern. Over the years the Auditor General, and more recently the Comptroller General, have expressed the concern that things are not described adequately or properly in the public accounts of Canada.

A result of the practice which has been followed by the government is that the expenditures of the government have been understated and the assets of the government have been overstated. We on this side agree with the proposals in Bill C-22, and that should be no surprise to the House since it is essentially the same bill as that proposed, Bill C-13, during the Thirty-first Parliament, introduced on October 19, 1979, barely one week into the administration of the Progressive Conservative government.

It is worthy of note that the press release put out by this new minister in April, 1980 is very similar to the press release put out by the former president of the Treasury Board, the hon. member for York-Peel (Mr. Stevens). Only the names have been changed, and I do not know whether that is to protect the innocent, but the one release with the name which I will leave out, begins:

> —President of the Treasury Board, today announced major changes to the Accounts of Canada designed to improve financial control and accountability.

Our present President of the Treasury Board (Mr. Johnston) in his release has said:

> —President of the Treasury Board, today announced introduction of legislation to make major changes to the Accounts of Canada designed to improve financial control and accountability.

Is it not strange that the wording is exactly the same, just nine months later?

Mr. Knowles: It sounds like a carbon copy.

Mr. Clarke: It is all but a carbon copy. I could go on, but I think I have made my point. The releases are practically word for word the same.

Some hon. Members: Oh, oh!

Mr. Clarke: I can hear some voices to the left suggesting it is because there is no difference in parties. If that were the case we would have had this bill years ago. Perhaps the present President of the Treasury Board would care to indicate whether he would like to have had the bill in shortly after he arrived in Parliament or a few years before he arrived in Parliament. In any event the record stands.

The Progressive Conservative government of the Thirty-first Parliament presented this bill barely a week after it met Parliament. Now we have the other side presenting almost verbatim the same bill, with almost verbatim the same press release. Perhaps I could just say that is a bit of a coincidence, but I think it is significant that the present government felt compelled, because of pressure undoubtedly brought by this side, to bring this bill along.

The House should be interested in looking at the history of events leading up to what made the Conservative government feel this bill was necessary. I do not have to go back too far, just to 1975. I think the minister alluded to the 1975 Report on the Study of the Accounts of Canada.

It is significant to observe that this study was the first of its kind since 1920. In other words, in this country where budgets have soared goodness knows how many times from 1920 to 1975, 55 years, there had not been any kind of study made of the accounts of Canada.

It is worth while, I think, to read three of the recommendations contained in that Study of the Accounts of Canada, released in 1975. Recommendation No. 10 found at page 5, says:

> Assets and liabilities of the Government of Canada should be defined as follows:
>
> assets are the financial claims acquired by the Government of Canada on outside organizations and individuals as a result of events and transactions prior to the accounting date; and
>
> liabilities are its financial obligations to outside organizations and individuals as a result of events and transactions prior to the accounting date.

That is a fairly basic accounting definition to anyone with a modicum of accounting ability or business experience, but that is something which was not being followed by the Government of Canada in its accounts up until this point.

Recommendation No. 11 on page 6 of the report says this:

The Unemployment Insurance Commission should be reimbursed by the government on a monthly basis for all expenditures to be borne by the government. Such reimbursements should be recorded as budgetary expenditures of the period to which they pertain thus deleting non interest-bearing advances from the Statement of Assets and Liabilities.

Again that is a fairly simple observation, but what the government found it convenient to do over all these years was record the amount to be paid out on the excess expenditures on unemployment insurance as assets, and then after the fiscal year end they would be paid over to the fund and recorded as an expenditure. In other words, it was an understatement of the expenditures of the fiscal year just ended and an overstatement of the assets in the Statement of Assets and Liabilities of Canada as at the end of that fiscal period.

● (2030)

Recommendation No. 12 says this:

Consistent with the definition of assets and liabilities previously recommended, the following should be deleted from the Statement of Assets and Liabilities:

—working capital advances and revolving funds except for those primarily used to record financial claims on organizations and individuals outside the Government of Canada;

—undisturbed balances of appropriations to special accounts; and

—deferred loan amortization costs and premiums.

The minister has made reference to that very matter in his remarks. I am glad to see that the Government of Canada is finally facing up to the accounting and business actualities and will now record things as they really are. The lament is that it took five years after the report was made for the present government to get around to doing anything. As I say, I doubt very much that this government would have been acting on it this soon if it had not been for the pressure brought by the introduction of Bill C-13 by the previous government.

The recommendations of the study were not the only source of ideas telling the government that it should now act and correct things. The Standing Committee on Public Accounts as long ago as 1976, after having reviewed the study, told the House of Commons in its report:

After careful examination of the study and having been assured by the Auditor General that the measures being proposed are sound and in accordance with current accounting standards and principles, your committee hereby endorses the 41 recommendations contained in the Study of the Accounts of Canada.

Your committee therefore recommends that the Treasury Board should implement these recommendations as soon as it is technically possible to do so.

I do not think that it would take four years before it would be technically possible to put these recommendations into effect. I have read three of the recommendations from the study, and I think that it is significant that there are actually 41 such recommendations. The fact that nothing happened as a result of those 41 recommendations as far as this bill is concerned, is also significant.

We had in the meantime other recommendations in connection with the form and content of estimates, because members of the House, particularly those with some business experience or accounting knowledge—knowledge which we badly need in this House—would try to compare the estimates as they were prepared with the Public Accounts produced at the end of the fiscal year. As is still largely the case, there was no comparison possible between the projected expenditures and the actual presentation of the expenditures which is made after the fact. The debate went on, and in 1978 the public accounts committee was again moved to observe, after reviewing the reservations of the Auditor General on the 1978 Public Accounts:

Your committee again recommends that legislative action be taken as soon as possible to delete from the Accounts of Canada the assets and liabilities identified in Notes 5 and 7 to the audited financial statements and to prevent similar balances from recurring in future years.

Notes 5 and 7 in the Public Accounts in 1978 should also be quoted for the benefit of the House. Note 5 to the audited financial statements of the Government of Canada on page 21 of the Public Accounts reads:

The loans described below are likely to require parliamentary appropriations for write-off in subsequent years; until such appropriations are obtained, the assets are overstated by the following amounts:

I do not think I need to go into the details, but the total of the amounts in that note of the financial statements is $384 million. I think all of them have been dealt with by the President of the Treasury Board tonight, but again I would make the point that this is 1980, not 1976, 1977 or 1978.

Note 7 in the 1978 financial statement had this to say:

Certain accounts reported as assets and liabilities do not meet the definitions stated in—

—the notes, the definition of which I read earlier. Note 7 goes on:

However these accounts will continue to be reported on the Statement of Assets and Liabilities until such time as parliamentary authority is obtained to delete them.

Accounts internal to the government reported as assets, represented deferred expenditures chargeable to subsequent years, in accordance with legislation, regulations or established practice. Those reported as liabilities represent spending authority carried forward to future years.

The balance of these accounts in the Statement of Assets and Liabilities as at March 31—

That is March 31, 1978. Note 7 goes on:

—have the effect of overstating the assets and liabilities by the following amounts:

Again, to avoid the detail, the total overstatement of assets is $3,097 million, over $3 billion, whereas the overstatement of liabilities is a mere $52 million. Those are notes to the financial statements contained in the Public Accounts of Canada. The House would probably be interested to know what the Auditor General had to say on the financial statements of the Government of Canada. In giving his opinion on the financial statements of the Government of Canada for the fiscal year 1977-78, the Auditor General stated:

I have the following reservations concerning certain of the stated accounting policies of the Government of Canada which, in my opinion, affect the fairness of the information presented in the financial statements. I have commented on the matters described in these reservations in previous Reports to the House of Commons.

The Auditor General was saying back in 1978 that this was not the first time he had mentioned these reservations. He went on to say:

Adjustment of Accounts Act

As a result of the inclusion of certain balances identified in Notes 5 and 7 to the financial statements and designated for deletion from the accounts, assets and liabilities are overstated by $3,481 million and $52 million respectively.

There is an allowance for losses on the realization of assets of $546 million. However, this is a general allowance against all classes of assets. I do not think that we need to go into detail on these reservations.

The Auditor General's second reservation was with regard to Crown corporations and how they are excluded from the accounting entity of the Government of Canada. His third reservation was also with regard to Crown corporations which have a history of deficits and lack sufficient revenues to repay their indebtedness to Canada. I will be dealing with those matters in a few minutes, so I will leave them for the moment.

I should now like to refer to the Auditor General's statement of 1979 because things had changed a little bit by then. The Auditor General in giving his opinion in 1979 said in part:

—The recorded value of special assistance loans to developing countries and subscriptions to international development associations, amounting to $2,977 million, is questionable since, by their terms these loans and subscriptions have characteristics of grants or contributions. These loans and subscriptions are recorded at cost in accordance with Note 1 . . . ; whereas grants and contributions are recorded as budgetary expenditure.

There were sufficient warnings all the way along for the government of the day to bring in a bill of this sort, but for whatever reasons governments use to pad their own way, these arguments or warning signs were not heeded. I would like to make reference at this point to the Royal Commission on Financial Management and Accountability, which is commonly known as the Lambert commission. This commission supported the recommendations of the study of the accounts of Canada when that report was tabled in March, 1979, and in addition to the support of the recommendations of the study, it contained some 165 recommendations. Surely that number was large enough and serious enough that the government could have felt it should act.

● (2040)

After all these statements, the House may be asking what the problems really are, why it is important to have this bill, why all these alarms were sounded and why they were not heeded. I should like to use two examples to illustrate the problem, Mr. Speaker. The first is the $650 million that was paid into the airport revolving fund some time ago. Apparently the Auditor General believes that that amount will never be repaid. In this instance we had the government regarding an expenditure on the books as an asset. That money was gone from the treasury. It was used in the airport revolving fund where it was needed in order to operate the airports, but the government showed it as an asset, all the while knowing it was not going to get it back.

The other example concerns the roughly $2.600 million advances to the unemployment insurance fund and recorded as accounts receivable or assets, and not recorded as expenses until later years. The government may claim that it did not think it was necessary to act so quickly, but there is a precedent. I would refer hon. members to the St. Lawrence Seaway Authority. In the publication "Public Accounts of Canada 1978", volume III, page 148, paragraph 4, referring to the year ended March 31, 1978, there appears the following statement:

On April 1, 1977, loans from Canada of $624,950,000 were converted to equity by parliamentary appropriation.

With a flick of a pen the government can change a $625 million liability into an equity or into an expenditure! Later in the same paragraph appears the following:

Effective April 1, 1977, further accrual of interest on the deferred interest was cancelled by the governor in council.

In addition the Authority has also offset $120,986,136 of contributed capital against deficits incurred prior to March 31, 1978. It is also the intention of the Authority to seek approval from Parliament to have the remaining deferred interest payable cancelled and reversed.

To my knowledge, that step has not been taken, Mr. Speaker. Perhaps the House wants to put its hands in its pockets in order to protect itself. Perhaps the President of the Treasury Board will seek that change before too many months pass.

The remaining part of the problem, as I see it, and something which the government still has to correct, is the nearly $3 billion of special assistance loans to developing countries and subscriptions to international development associations. In his 1979 report the Auditor General said that these loans were of questionable value since, by their terms, they have the characteristics of grants or contributions. They are not dealt with by the bill we are now considering but will have to be considered before too many months go by.

Since the government has now come clean and is willing to make these adjustments and have a balance sheet that will more fairly present the affairs of Canada at the end of any fiscal year, the House must now consider if the government will have the strength to stop using the old schemes to hide government spending, or if we will have another similar adjustment in a few years time. I do not expect the present President of the Treasury Board will be around at the time when this might happen. I think the House and the people of Canada can take solace from the fact that we have an effective watchdog, however, in the person of the Auditor General, and that we have a new watchdog before the fact, we hope, in the person of the Comptroller General of Canada, and of course there is always the long-term watchdog, the Public Accounts Committee which I am very happy to chair. That body will be watching out for the President of the Treasury Board if he wants to make any of these other adjustments.

There is another aspect of the accounts of Canada which I would urge the President of the Treasury Board to look at, Mr. Speaker, and I consider this aspect to be a serious problem. I refer to contingent liabilities which are not dealt with in Bill C-22. To be fair, they were not dealt with in Bill C-13 either, but for a new government Bill C-13 was a major step. I would urge the President of the Treasury Board to get after these contingent liabilities.

To illustrate the seriousness of the problem I would refer the House to "Public Accounts of Canada 1979", volume I, page 2:13. Paragraph four states as follows:

In addition to the financial obligations set out in the statement of assets and liabilities, there are contingent liabilities . . . These include borrowings by Crown corporations which are agents of the government. These borrowings are a direct charge against the Consolidated Revenue Fund.

The total of these contingency liabilities is $28.5 billion, almost half the total expenditures of the government in a given fiscal year. Two and one half billion dollars is for borrowings by Crown corporations which are agents of the government; $500 million is guarantees of principal and interest of Crown corporations which are not agents of the government, and $25.5 billion is for other outstanding guarantees and contingent liabilities. No business that I know of, Mr. Speaker, could tolerate contingent liabilities of that size without making some further disclosure than is being made now by the government.

There are other Crown corporations which I have not dealt with in the foregoing comments. They are Crown corporations which borrow on their own. The corporations themselves would raise funds on capital markets. But funds so raised do not require a parliamentary appropriation. Funds so raised are not classified as government spending, and do not affect the federal cash requirement. These corporations have moved off the books of the federal government, and some of their borrowing no longer appears on federal accounts. I think that Petro-Canada would be one such corporation and the Export Development Corporation would probably be another. In any event, these corporations can borrow on their own in the capital markets.

Independent borrowings by these Crown corporations create considerable confusion in federal accounts. First, if they raise some funds through a parliamentary appropriation and some independently, then some appears on the federal accounts and some does not. This is hardly a coherent approach to accounting as both amounts were borrowed by a government-owned entity. Second, as the government guarantees the independent borrowing of the corporation, the government is liable to repay the full sum in the event of a default. Independent borrowings of Crown corporations are contingent liabilities of the federal government. The amounts are off the main books, but the ultimate responsibility for repayment rests with the government nonetheless. That is probably as much as I want to say on this subject at the moment.

There is one other area of contingent liability which has not been brought up in anything that has come before us today, or in anything that I have said up till now. In the "Public Accounts of Canada 1979" there is reference to unfunded pension liabilities. In volume I, at page 7.7, under the heading "Supplementary Retirement Benefits Account", there appears the following:

This account was established by the Supplementary Retirement Benefits Act to provide for the payment of increased pension benefits resulting from indexation. No actuarial valuations are required to be made of the account. The chief actuary of the Department of Insurance has estimated that, if principles of actuarial funding were to be applied to the extent of determining the future cost of the benefits being paid to annuitants of the Public Service, Canadian Forces and Royal Canadian Mounted Police superannuation accounts as at March 31, 1979, an additional $2.6 billion would have to be credited to the account to reflect the present value of those benefits as at that date.

● (2050)

We are hearing a lot more about unfunded liabilities, especially in connection with pension funds. I say to the President of the Treasury Board, and his colleagues in government, that there are a good many more problems that he has not yet faced. Bill C-22 is a good step forward on the way we have to go, but as the President of the Treasury Board very well knows, as a past chairman of the public accounts committee, to borrow an expression that his leader used, he has a long way to travel before he rests and before the public accounts of Canada are in the state we think they should be.

We are looking forward to a short debate on this bill because we have been waiting for it for some time. I believe there will only be one more speaker from my party. We on this side have accepted with pleasure the suggestion of the government House leader that this bill be referred to Committee of the Whole. All members of the public accounts committee and the President of the Treasury Board well know that we have enough to do to keep ourselves occupied in the public accounts committee studying the report of the Auditor General, which is under permanent reference of the House to us, and the public accounts themselves. We do not need to have this bill referred to that committee for a lengthy study.

The minister has supplied me with some amendments that he is going to propose during the committee stage. I will take the intervening moments before we get to Committee of the Whole stage to look at these motions. We look forward to getting on with the job, Mr. Speaker.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I am pleased to rise this evening as the Treasury Board critic for the New Democratic Party to comment on Bill C-22, an act to amend the accounts of Canada and make related amendments to certain acts. I was happy to hear the hon. member for Vancouver Quadra (Mr. Clarke), who is chairman of the public accounts committee of which I am a member, say that the bill which we are being asked to give second reading and hopefully third reading to this evening, is the same bill the Conservatives brought in a few short months ago. It exemplifies again that there is absolutely no difference between the Conservative party and the Liberal party.

An hon. Member: We brought the bill forward.

Mr. Anguish: They brought the bill forward. However, the people of Canada chose not to accept many of the other falsehoods presented by the Conservative party which led to their defeat at the polls on February 19.

An hon. Member: February 18.

Mr. Anguish: Although the President of the Treasury Board (Mr. Johnston) can take a great deal of credit for this bill being introduced, and I commend him and his parliamentary secretary on that, the credit should not go to the Liberal party, because they have had years and years to bring in this bill to amend the public accounts of Canada to reflect fairly the spending position of the government. Certainly the credit goes

somewhat to the Conservatives. Unfortunately, there were not too many other things they did that were acceptable to the people of Canada. I could go on with this, but it would not be addressing the bill. We will deal with that on another occasion.

I would like to describe a certain situation that this bill will overcome. I am not quite as eloquent in terms of generally accepted accounting principles as the previous speaker, but I think I have a fair grasp of the situation as to what this bill will do. As I mentioned, certain expenditures that are made by the federal government are not reflected as expenditures or spending. They are actually reflected as assets of the government.

Something I have talked about before in this House is that the federal spending deficit of the government for fiscal year 1978-79 was $16.185 billion. When I asked the President of the Treasury Board about this in the public accounts committee he said that is what it says but it is not really a true picture of what is happening within government. He said our deficit is not really $16.185 billion, it is actually less than that because we have an extraordinary spending item in there. That was an amount in excess of $4 billion that was a write-off of what the government had considered as loans to different government agencies and departments over previous years. Therefore, from years dating back possibly as far as a decade, maybe back to 1969, the public accounts did not fairly reflect the question of this government's spending. The actual liabilities were understated. Now, in the 1978-79 accounts, this had to catch up. It finally had to be reported.

This could not be hidden under the table any longer by the Liberal administration and the very short tenure of the Conservative government, which actually wanted to do something about it. Finally, an extraordinary item appeared on spending in excess of $4 billion. Although that $16.185 billion did not fairly reflect the spending of the government in the fiscal year 1978-79, it certainly reflected the spending of the government in other areas. It was not reported as spending, but as assets of the government.

I wish to go into some of the background as to the reasons why the Liberal party cannot be given credit for introduction of this bill at this time, although as I mentioned, we do respect the fact that the President of the Treasury Board has taken the initiative, along with his parliamentary secretary, to bring this bill before us.

It goes back, according to the admission of the President of the Treasury Board, as far as 1973, when there was a study of the accounts of Canada. At that time they were starting to look at ways of making government spending more accountable to Parliament and, through Parliament, more accountable to the people of Canada. After that study, nothing seemed to happen. There seemed to be a void for a few years until a report came down on October 7, 1975, on the study of the accounts of Canada, some two years later.

In 1976, or maybe even earlier than that, the public accounts committee reaffirmed that the government had to be more accountable to Parliament and parliamentarians in terms of the money they spend, and that the public accounts should fairly and justly reflect the financial position of the government. Still nothing happened until 1976.

Then there was the Royal Commission on Financial Management and Accountability. Their findings were reinforced by the Auditor General, or maybe I should say affirmed the findings of the Auditor General. After they substantiated the claims of the Auditor General, the Auditor General reaffirmed his position in the fact that the spending of the government was totally out of control, that the spending of the Government of Canada was not accountable to Parliament and, therefore, the Canadian people were not being given a fair picture as to what was the financial situation of the government. As I mentioned, we do not feel that the Liberals should be given credit for this bill, although we, as the New Democratic Party, very much agree with the position and intent of this bill.

● (2100)

The bill, as I mentioned, will do two main things as we understand it. Certain expenditures will now be regarded as spending rather than as assets of the government. Second, and most important, the bill will help make government spending more accountable to Parliament. Although we support this measure and hope to see it pass this evening, we think the process of making the government more accountable for expenditure should not stop with Bill C-22. We think it should go on into other areas.

First, we should like to see some changes in the form of the estimates which come before the House so that the information in there is more usable by members of Parliament, enabling them to translate to their constituents and to the press a fair assessment of where the government stands. Second, we would like to see a freedom of information bill passed as set out in the Speech from the Throne, and, in that connection, to have open scrutiny of departments of government by members of Parliament so that again they can reflect to their constituents the true position of the government not only as to spending patterns but as to the effectiveness and efficiency of management in running programs for the Canadian people. Third, it is important the government take prompt action on the many recommendations of the Lambert commission and the D'Avignon report which it also talked about in the Speech from the Throne. We in the New Democratic Party will ensure that they follow this through and introduce many of the important recommendations made in those two reports.

Before ceasing what I have to say on Bill C-22 I should like to commend the government for taking action on setting up the office of the Comptroller General headed by Mr. Rogers, especially in the area of the impact program where they take specific departments of government and carry out an analysis or critique of those departments and actually study what the problems are. The second stage of those impact studies is to develop an action plan between responsible people in the Comptroller General's office and people in the department being studied. Then they come up with their action plan and implement whatever is arrived at, through a consensus of the Comptroller General's office and the department being stud-

ied. This does a great service to members of Parliament. Critics in certain areas for which they are responsible can obtain concrete direction as to the problems identified in the study. They can look at the action plan which has been set out and determine whether or not the procedure is having the desired effect, so members can do a good analysis of departments which have partaken in the impact study.

The second thing on which I should like to commend the government concerns the office of the Auditor General. I should like to rephrase that. I do not want to commend the government but to commend the Auditor General and his office in the area of the comprehensive audit which has taken place over the last two fiscal years where they carry out an analysis of a certain number of departments. They certainly do not have the manpower to do all the departments of government in one year but I believe they have examined six departments each year for the past two years, for a total of 12 departments. This comprehensive audit provides members of Parliament with information on the basis of which they can look at these departments to see whether they are efficient, accountable to the public, and serving the wishes of the Canadian people.

I will conclude by asking the government to cease blaming the public employees as they have so often done—the public employees who are bashed by members of the Tory party for much of the incompetence which occurs within government. It is quite easy to bash public employees, but really the blame does not rest with public employees in many of the areas where the government has fallen down in accountability and the effectiveness of delivery of programs. The real problem arises from incompetent politicians and poor management. I think this has been reconfirmed by the Auditor General in his last report.

The 1978-79 Report of the Auditor General was quite hard-hitting, asserting that management had lost control of government spending. These other things I mentioned, such as accountability, tie into that issue of poor management although the press did not report it as such—the press seemed to pick up the fact that it was the public employees who were inefficient, and for a while the Conservatives jumped on the band wagon trying to protect the public employees they bash on other occasions when it is more convenient to do so. Mr. Macdonell definitely points out there, and he has admitted in the public accounts committee, that it is not the public employees who are to blame, it is the government and poor management which guides them.

Before concluding, Mr. Speaker, I should like to express my concern that the Conservatives allow this bill to go on to Committee of the Whole this evening so that we can proceed with these long needed changes to the Public Accounts of Canada. I hope the next speaker from the Conservative party will not be carried away with the exuberance of his own verbosity and that we can get on with passing this needed legislation.

Mr. John Gamble (York North): Mr. Speaker, I promise the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) that I shall not be carried away by my own verbosity.

I do not know that it is significant to determine who should take credit for what is presented in this House as long as the end product is in the best interests of the public. Accordingly, the hon. member will not find me discussing who should take credit for bringing the bill forward. I hope this same attitude might prevail among members to my extreme left so that in the future, when bills are presented in the House, some regard might be paid to the merits rather than to verbose political rhetoric.

I do not intend to review the detailed analysis which has been so ably made of the consequences of this proposed legislation by my hon. friend from Vancouver Quadra. I will merely point out that as a consequence of the passage of this legislation, through the deletion of assets which were fictitious in nature, the net debt of the Government of Canada will increase, and increase substantially. As a matter of fact, it will increase by the amount of $4.478 billion.

It is my intention to deal with just one of the single items contained in the bill, that is, the item covered in clause 7 which relates to the aggregate amount of principal and interest oustanding as of March 31, 1981, in respect of loans made to the CBC. These loans were made to the Canadian Broadcasting Corporation by Her Majesty pursuant to authority set out in schedule V. They are written off and deleted from the accounts of Canada and, in the words of the clause, any obligation of the Corporation to repay the principal and pay the interest is terminated. Clause 5 contains a rather lengthy list of loans made to the corporation, commencing with the first advance in June of 1964 and ending with the advance of March 19, 1974.

• (2110)

I was initially somewhat concerned about the prospect of writing off loans for a period which had not as yet expired. I think we are only saved by the filing of the schedules which, without an examination of the specific orders in council giving rise to those loans, I would presume were not open-ended, so that many hundreds of millions of dollars might yet be advanced and written off before the money actually reaches the treasury of the Canadian Broadcasting Corporation. But it is interesting from an examination of the Public Accounts of Canada, 1979, at page 2.13, to examine the exact amount of the CBC write-off. It is in the amount of $198 million, which is not an insignificant amount by any means.

In determining whether write-offs of loans and obligations of Crown corporations and others as assets of the Government of Canada should be eliminated as assets, this House should ask itself whether it is appropriate to do so. I am not going to deal with the other specific issues and amounts which are covered in Bill C-22 but, rather, with this one only.

I think it is appropriate, accordingly, to ask the question: is it being written off—and I refer to the amount of $198 million—because the CBC is unable to pay the loan? The answer to that, unfortunately, I do not know, and I hope with a

proper opportunity in the committees upon which I serve that we may determine exactly how the CBC manages to have accumulated a debt which, it hopes, will not be paid and at the same time run up an annual debt paid for by the taxpayers of Canada in the neighbourhood, certainly in 1979, of $450 million, an amount almost equivalent to half a billion dollars, at a time when a private enterprise competitor, without the advantage of having all CBC's equipment and its capital assets paid for and acquired at the expense of the taxpayers of Canada, is able not only to operate but also to operate without having that outstretched hand which is constantly being filled on an annual basis by the taxpayers of this country through the generosity of the Government of Canada.

I am inclined to question whether it might not be appropriate if we deferred a determination as to whether or not this amount should be written off and perhaps applied it either in whole or in part against the annual funds which are deposited to the credit of the Canadian Broadcasting Corporation. Why would we take a position of that kind in this House with respect to this creature of the Government of Canada? Aside from the general observations which I made earlier to the effect that a competitor of this Crown corporation not only functions, but also functions profitably without requesting funds from this or former or future Governments of Canada and, not as a consequence of the fact that we are asking the privately-owned television network in Canada in fact to subscribe through its taxes to the well-being of its competitor, but because of the way in which that Crown corporation may well have failed to meet its obligations to the people of Canada, one might ask in the course of this examination how well the CBC has performed. The answer, in a word, might be badly, and I am charitable in using that word.

In 1979 the CRTC, in its endeavour to analyse the functioning of that jewel of Crown corporations, concluded that it had really failed dismally to meet its obligations to the public, and as a consequence of that CRTC analysis, an article appeared in one of the Toronto newspapers of March 15, 1979, making the following observations:

> The CRTC has discovered what every person who owns a TV set has known for years—that CBC-TV is doing a rotten job in appealing to Canadians.
>
> Given a choice, most Canadians prefer to watch American or private broadcasting. A CRTC report notes that in ten years between 1967 and 1976 the CBC and its affiliates lost 33 per cent of their audience while the private stations rose by almost 20 per cent. Can there be a greater indictment of CBC quality than the reality that it cannot stand competition and that citizens prefer foreign programming to domestic?
>
> In over-all percentages CBC-TV has 22.5 per cent of the viewing market against 52.3 per cent for private stations. The rest watch foreign stations. CBC is last in its own country!
>
> Yet the CBC, even now, refuses to acknowledge that it is horrendously costly, hugely wasteful, impossibly bureaucratic and, most damning, hopelessly dull, dull, dull!

Has it improved since then? I submit that it has not. In 1979 it cost every Canadian man, woman and child $22 to float the CBC. That was in 1979. However, because only 22.5 per cent actually use the service—and I am talking about the television service as opposed to the radio service—the cost was more in the neighbourhood of $90 per man, woman and child using that service, as opposed to nothing for those who watch the private broadcasting network in Canada.

Miss Jewett: What a laugh.

Mr. Gamble: As to performance, we are led to believe that this great public institution is the protector of the growth and development of the artistic community in Canada, and yet it was not but two years ago that CBC had a strike on its hands when staff and performers at the CBC rebelled at the fact that the CBC was hiring outside, foreign actors to perform.

In 1978 the CBC was accused by a former news broadcaster who said that the news was manipulated and that the CBC management was intimidated by the Prime Minister's office both in terms of covering events that management originally had decided to avoid and in terms of special coverage that the Prime Minister of the day desired to have filmed and broadcast.

However, one of the most heinous acts that the public broadcasting system has committed is with respect to the programming of a series referred to as "Connections". That series depicted the rather strange link between Canadians of Italian ancestry and organized crime in Canada. There was no doubt left in the minds of viewers, as they watched program after program in that series, that an Italian name should be linked somewhat with organized crime, to the effect that as a consequence of the uproar which occurred in the Italian-Canadian community and a specific protest which was lodged by Senator Peter Bosa, the office of the secretary of state commissioned a poll to determine whether watching that series had in fact influenced the decision-making process of the viewer in terms of the association between organized crime and Canadians of Italian heritage.

The conclusion of the poll, commissioned by the then secretary of state and performed by the Gallup organization, was to the effect that a full 40 per cent of those people who had seen the series believed that it was more likely that Italian-Canadians would be associated with organized crime than other groups in Canada, whereas of the group which had not watched the series the percentage was markedly lower, in the range of 25 per cent.

Mr. Anguish: Tories.

● (2120)

Mr. Gamble: Is it not strange that a serious matter of this nature, affecting the well-being of Canadians of a particular ethnic background, should be dealt with in this fashion by members of the NDP? I would have sincerely thought that serious matters dealing with the rights of all Canadians would be regarded by them in the same fashion that they are by other members in the House. But it appears I am not correct.

In the concluding paragraph of a press release, Senator Peter Bosa, on July 13, 1979, made the following plea:

> It is my belief that the media has an obligation to correct this false sterotype of the Italian-Canadian community that it has portrayed. Similarly, Italian-Canadians have a major undertaking ahead to bring to the attention of other

Canadians the many significant contributions they have made throughout history from the discovery of this country by Giovanni Caboto to the present day.

He took that plea to the president of the CBC, Al Johnson, and of course received nothing in the way of the kind of programming that was required to rectify the horrible impression that had been fixed in the minds of some as a consequence of irresponsible programming by the network owned by the Government of Canada.

I communicated with Senator Peter Bosa upon receiving that press release of his, and I suggested to him that it would be most appropriate for the CBC to stage a series of programs dealing with the substantial contribution that had been made to Canadian life by Canadians of Italian heritage.

Perhaps the greatest injustice that has been perpetrated on the whole nation, however, arose recently in connection with the position taken by the CBC as it dealt with the referendum debate in the province of Quebec, and this matter of course has occupied the attention of the Postmaster General (Mr. Ouellet) who recognized fully that in the course of balanced broadcasting it is not appropriate to balance one's judgment of the well-being of Canada against a desire to help a force which has, as its prime motive, the destruction of the entire nation, and yet that is exactly what occurred.

On April 13, 1980, Al Johnson, the president of the CBC, had occasion to make a speech to the Canadian Daily Newspaper Publishers Association. He was questioned about the odd situation that seemed to prevail in connection with the delivery of certain material within the province of Quebec disclosing some of the merits of separation from this nation as advocated by a government in that province dedicated to that separation. He said:

It is not for us in the CBC to use our position as the nation's broadcaster to seek to tilt the balance in the solemn decision Quebeckers are being called upon to make . . . so as ourselves to influence the results of the referendum, or so as ourselves to permit an undue influence to be brought to hear through the use of the airwaves entrusted to us.

What the short-minded president of the CBC has failed to do is to recognize that under the Broadcasting Act of 1968 the CBC has an obligation to provide a continuing expression of Canadian identity and to contribute to the development of national unity. How one does that by, at the same time, promoting separatism, is something that is completely beyond me.

I believe that further grants to this Crown corporation should be given the closest scrutiny in the House and that unless the CBC can in fact adhere to its mandate and speak as the national body for the benefit of all Canadians, it should cease to enjoy its privileged place in Canadian society.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise on a point of order. Prior to your putting the question, I wonder if I might advise you, sir, and seek the consent of the House, that once the question is put the House then go to Committee of the Whole. It is my understanding that there has been some understanding among all members of the House to this effect. So I would ask that you seek that consent and that, following the question, the House go into Committee of the Whole.

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

Some hon. Members: Question!

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Francis in the chair.

Clauses 2 to 31 inclusive agreed to.

On clause 32—

Mr. Daudlin: Mr. Chairman, I have an amendment to clause 32, which reads as follows:

That clause 32 be amended by adding thereto, immediately following line 44 on page 15, the following clause:

"All expenditures made under sections 22 to 31 and all revenues spent under those sections shall be subject to such terms and conditions as the Treasury Board may specify."

● (2130)

This motion to add a new clause 32 is required to provide greater certainty that all authorizations for the revolving fund are subject to any terms and conditions which may be approved by Treasury Board. Most legal advisers and other financial experts consider that the Treasury Board may already have this authority under section 5 of the Financial Administration Act. However, in past years some appropriation acts contained the specific phrase "subject to the terms and conditions as prescribed by the Treasury Board", while others did not contain that wording. It is in order to add clarity and to eliminate the possibility of uncertainty that we are making this particular amendment.

Mr. Clarke: Mr. Chairman, I listened to the parliamentary secretary and his explanation of the need for this amendment, but I wanted to ask the minister if he could explain. I understand the expenditures made, but how can revenues be spent under the same amendment when we are having expenditures made and revenues spent? I mean, it sounds like a fiddle, and I want to know if the President of the Treasury Board could explain that.

Mr. Johnston: Mr. Chairman, the explanation is that under a revolving fund, as the hon. member for Vancouver Quadra knows, revenues can be earned within the fund. That accounts for the two terms being used—expenditures made under the fund and revenues spent, which are revenues earned within the fund and then spent.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment agreed to.

The Deputy Chairman: Shall clause 32, as amended, carry?

Some hon. Members: Agreed.

Clause 32 as amended agreed to.

Mr. Daudlin: Following on that amendment, I move:

That Bill C-22 be amended by renumbering clauses 32 and 33 as clauses 33 and 34 respectively.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment agreed to.

Clause 33 agreed to.

On clause 34—

Mr. Clarke: Mr. Chairman, again I should like to call on the President of the Treasury Board to explain the need for the various dates of coming into force of the act.

Mr. Johnston: Mr. Chairman, the write-offs which we have discussed will be effective as of March 31, 1981, but the revolving funds which are provided for come into effect as of April 1, 1980. That accounts for the difference in dates with respect to the coming into force of the various provisions of the bill.

The Deputy Chairman: Shall clause 34 carry?

Some hon. Members: Agreed.

Clause 34 agreed to.

Schedule I agreed to.

On schedule II—

Mr. Daudlin: Mr. Chairman, I move:

That Bill C-22 be amended in item 3 of schedule II in column II thereof on page 24 by adding, immediately after "L26a Energy, Mines and Resources No. 3, 1978-79 Schedule", the following:

"L42a Energy, Mines and Resources No. 1, 1980-81 D".

Also I have a second amendment to schedule II that I would like to put. I move:

That Bill C-22 be amended in item 9 of schedule II in column II therof on page 25 by adding, immediately after "L31b Transport No. 4, 1974 Schedule", the following:

"L66a Transport No. 1, 1980-81 D."

These two amendments are required in order that votes which were included in supplementary estimates but were not approved until May 16 could be included inasmuch as this bill was introduced at a later date.

Amendments (Mr. Daudlin) agreed to.

The Deputy Chairman: Shall schedule II as amended carry?

Some hon. Members: Agreed.

Schedule II as amended agreed to.

Schedules III to VI inclusive agreed to.

The Deputy Chairman: Shall clause 1 carry?

On clause 1—

Mr. Knowles: Mr. Chairman, I rise for only a minute before we conclude committee consideration of this bill. I noticed with interest that the hon. member for York North at second reading stage took the occasion of this bill to indulge in a bit of CBC bashing, which is something that happens around here from time to time. I do not intend to take his attack so seriously that I would launch into a full dress speech, but I should like to give one example to make the point that the CBC is not always bad.

A few weeks ago the House gave unanimous endorsation to a motion that I sought to move under Standing Order 43 which asked the CBC to make a certain change in its nightly news broadcast over television. I suggested that we from the west found it a bit awkward that the section "Across Canada" always started from the east and worked across to the west, and I suggested that the House ask the CBC to vary that, once in awhile, by starting from the west, sometimes from the prairies and sometimes from the north. I rise to remind hon. members, and I am sure they have all seen it, that one of the things we enjoy every night now is wondering where the "Across Canada" segment will start. In other words, at least on this occasion the CBC did pay attention to a constructive and respectful suggestion which was made by this House.

• (2140)

Some hon. Members: Hear, hear!

The Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Clause 1 agreed to.

Title agreed to.

The Chairman: Shall the bill, as amended, carry?

Some hon. Members: Agreed.

The Chairman: Shall I rise and report the bill?

Some hon. Members: Agreed.

Bill reported.

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

Mr. Knowles: By leave now.

Hon. Donald J. Johnston (President of the Treasury Board) moved that the bill be read the third time and passed.

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

* * *

ECONOMIC COUNCIL OF CANADA ACT

RELOCATION OF GOVERNMENT AGENCIES

The House resumed, from Wednesday, July 2, consideration of the motion of Mr. Cosgrove that Bill C-13, respecting the

relocation of government agencies, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

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

Some hon. Members: Ten o'clock.

Mr. Knowles: Mr. Speaker, I should like to say a few words on this bill but I would not want to disappoint those who want to call it ten o'clock.

Mr. Pinard: Mr. Speaker, I rise on a point of order. I do not know whether my colleague really wants to call it ten o'clock. He does not have to speak on the bill. We can call for the question. If he prefers we can call it ten o'clock, but we still have 15 minutes to go. He does not have to speak on the bill.

Mr. Knowles: Actually, Mr. Speaker, I was holding the fort for a moment until the hon. member for Nepean-Carleton (Mr. Baker) arrived, since he was speaking on this bill the last time it was before us. Perhaps he would like to continue.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to thank my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), as well as the officers of the House who were kind enough to warn me that this matter would be coming on. I am exceedingly grateful to them.

As we all know, this bill deals with the relocation which has taken place. Yesterday I spoke in the House indicating to the government the problems which had arisen as a result of the relocation handled rather hastily and without consultation at the same time that decentralization was taking place. As a result a great deal of distress occurred in the national capital area. The present member who occupies the chair, the hon. member for Ottawa West (Mr. Francis), was involved in that and I quoted extensively from a booklet he sent to his constituents in 1977. I think it summed up the chagrin, anger and frustration as a result of this lack of consultation.

I did what I had to do in respect of the bill the last time I spoke. I want to speak now in respect of certain other matters which are important for us in this area as we consider what ought to be the appropriate relationship between the federal and local governments.

The situation in the national capital is this. Whether a Liberal or a Conservative government is in power there will be a tendency on the part of both, not to regard the public service as a place of ever-increasing opportunity for employment for the people who live in the national capital. I can tell you now, as a result of what has been said to me by people who have come to my office, that this is being felt. It is felt that the commitment of both the government and the official opposition has been and will be that the growth in the public service cannot be an untrammelled growth such as we enjoyed in the early 1970s. That is the position.

What that indicates to me is that if that is the attitude being expressed in this area by the single largest employer of people in the national capital area, then that single largest employer has a joint and mutual responsibility with other governments in the area to decide how we will, if we can, create a new kind of opportunity here. If the opportunity is not to be in government then it has to be in the private sector. If it is to be in the private sector then I think there is potential for growth in this area worthy of the best possible attitude of co-operation between the national government and local governments.

One of these areas, Mr. Speaker, is in the high technology field. I do not know whether the tremendous growth that has taken place in the high technology industry in this area has come to the attention of hon. members who do not have the privilege of living here, except temporarily. That growth is almost unbelievable and it has taken place at a time when the whole electronic field is perhaps pointing the way to a whole new era of opportunity for prosperity in the country. It is fortunate we have here in this area a high technology industry which can serve not just the country but the world. I believe there is potential here for co-operation between governments, federal, municipal and provincial, for the development of that technology and that industry. This industry has grown tremendously by itself without any of the nurturing which could take place.

One of the things that has marked the growth of the national capital area is the foresight many years ago of the planners who looked at the area and decided that if it was to develop into something distinctly and uniquely Canadian there had to be a long-range plan developed. That long-range plan for us in terms of land development and the development of communities was the Greber plan.

The development of Ottawa, the national capital area and the Gatineau park, that kind of thing which has occurred on both sides of the Ottawa River, occurred as a result of foresight of the government of W. L. Mackenzie King which retained the services of Greber and laid out a plan which has been followed, more or less. As a result, we have a uniquely beautiful capital.

● (2150)

If we in the national capital area intend to realize the kinds of benefits from high technology which we have realized in terms of land, that kind of long-range planning must take place. We must move in the direction of a Greber type of plan to develop the high technology industry. The potential is there for this area and for the country. Certainly in terms of this area, in terms of an alternate source of employment, an alternate source of tax revenue and an alternate source of wealth for this area and for the country, the potential is here.

I would like to see this government or another government some time soon take this matter in hand and decide that it is worth while to commence that long-range planning with respect to the development of high technology. We must begin to plan ahead in terms of the kinds of education we will give our young people. I hope that the select committee on the employment problems we face in the 1980s will have something to say on that matter. I am sure that hon. members can imagine the work which could be generated here for bricklay-

ers, plumbers and other tradesmen, work which is badly needed in the development of the plant and the installing of the equipment, aside from the long-range markets.

This kind of planning is necessary to this area, and I do not believe that it would take very much effort. The electronic industry has said that for a small amount of money, $250,000, we could begin in the national capital area, on the basis of co-operation between all levels of government, that kind of long-range planning which would be good for this country in terms of its industry, good for the relationship of Canada to the world, because it is in this high technology field that we have been able to compete successfully with the Japanese and other industrial giants whom we regard as formidable adversaries in the world of trade. That opportunity is there for us.

Coupled with new kinds of development, we must consider whether it is appropriate now that the national capital of this country be connected directly to only one city in the United States, our largest trading partner. We are connected by an American airline, not a Canadian airline, with the city of Washington. When one speaks to people in the Commercial and Industrial Development Corporation and municipal Councillors in this area with respect to the kinds of air connections that are required, they say that if we intend to attract new industry, development and business to the national capital area, we must develop direct connections with Chicago, New York and Boston, to start with. Those are the kinds of air connections which are important.

The federal government has within its power and within the scope of its jurisdiction the authority to consider the creation of such air connections. There are businesses which are looking for places in Canada to set up, and they are looking at the area of the national capital. The key to these businesses coming here is quick and easy access to the United States. The Minister of National Defence (Mr. Lamontagne), the Secretary of State (Mr. Fox) and the Minister of State (Mr. Lumley) are all here tonight, and I ask them to speak to their colleague, the Minister of Transport (Mr. Pepin), and ask him to consider this proposal.

It is important that we have this development. I have not asked very many questions in the House of Commons on this matter because I am hopeful that the development will take place. It is important to the people of this area that sometime soon there will be an announcement made by the government with respect to the development of the convention centre here in Ottawa. It is extremely important that Ottawa have the ability to attract national and international groups, not only of the non-industrial type, but groups in the business sector. Such a development would give the ability to create in this capital of ours a window on the world in terms of international trade.

Naturally, such a development is important in terms of the jobs which it would create because of what occurred by relocation to Hull. There was a massive infusion of tradesmen and material into that area. Business was pumped up, but when the development was finished, it all fell down. As a result, the construction industry in Ottawa is in bad shape, despite the reputation which the area has generally of a relatively prosperous area. It is a prosperous area, but with respect to tradesmen and others who are not employed in government and some forms of business, there has been some difficulty. A convention centre which will put one crane in the air, or possibly two or three cranes, would also incite businessmen to carry out plans to reconstruct and develop and to put their own cranes in the air, all of which will be signals of prosperity.

Finally, I want to speak about the government's direct development in this area. The government is the biggest land owner we have. That is why the municipal grants act which is now in committee is an important statute for the national capital area and for other parts of Canada. As the largest developer and the largest employer, the government has the potential for development in this area. What I have in mind, as I close my speech, concerns the Minister of National Revenue (Mr. Rompkey), who was in the House when I began to speak on this bill yesterday.

I am referring to a proposal which I know is before the Department of National Revenue, of which I had the honour to be minister, and it is for the development of a taxation data centre in this area. It is important to the department. If the colleagues of the Minister of National Revenue would speak to him, he will tell you that the taxation data centre at Confederation Heights is overcrowded. People there are working under conditions which are not conducive to good work. There are limitations in size in terms of the equipment used.

I know that the minister has in hand, at least for the purposes of studying it, a proposal for the development of a taxation centre. The Government of Canada owns a prime piece of real estate in the national capital area, and I refer to the 400-acre parcel at the corner of Baseline Road and Woodroffe Avenue. It is a parcel of land which was to be part of a community program. It was an experimental program which was begun when the hon. Mr. Basford was the minister of state for urban affairs.

The regional municipality of Ottawa-Carleton recently approved the concept of a transportation corridor to serve that area. It is an ideal spot for the government to make the commitment which is necessary to keep that piece of property within the public domain. It is a vital piece of property in terms of the westward and southward development and relocation of government installations within this area. I ask the colleagues of the Minister of Revenue and the Minister of Public Works to look very carefully at that particular piece of land. As a potential development, that land is a jewel. It ought not to be frittered away and go out of the public domain. It ought to be used for some public purpose. I suggest that public purpose to the government because it would be important in giving some commitment to the relocation of government services out of the central core and not just to Hull, but to elsewhere in the national capital area.

It is not my intention to hold this bill up any longer. I appreciate the indulgence of the House.

• (2200)

I want to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for reserving this place for me in order that I might finish my speech in this debate.

Mr. Knowles: Now may I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL ENERGY BOARD—APPLICATION FOR GAS PIPELINE TO NOVA SCOTIA

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I am here this evening hoping to receive a further assurance from the Minister of Energy, Mines and Resources (Mr. Lalonde) or the government that it is truly committed to the construction of a natural gas pipeline to eastern Canada. The minister indicated yesterday that he was interested in this matter, and today, in response to a question by my colleague, the hon. member for Fundy-Royal (Mr. Corbett), he said that it was a preferred option.

I want to remind the government of the specific commitment that the Prime Minister (Mr. Trudeau) made in Halifax on January 25, when he spoke to the Board of Trade. Showing his great concern for the maritimes on that occasion, and talking about the necessity of security of supply of energy, the Prime Minister made certain commitments. I will quote from his speech on that occasion—which is a difficult thing for me to do, but under these circumstances I shall even read from his speech, Mr. Speaker. He said:

> But in order to switch, people must have access to gas. Nowhere is access needed more than in eastern Canada. I am announcing today, as part of our program, that a Liberal government will take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec city and the maritimes. The pipeline will have reversible capacity so that maritimers will have the opportunity, both to use western natural gas now and to send offshore gas to central Canada later. Like the railroad in the 1880s, energy pipelines in the 1980s have the potential to be a steel link uniting the nation.

That was six months ago, Mr. Speaker.

The author, Elridge Cleaver, once said that when you "talk the talk you have to walk the walk". Much as I should like to see the Prime Minister take a walk, I will settle for him laying some pipe to the maritimes as he promised he would.

There are any number of reasons why the maritimes need a pipeline. We need the security of supply that the Prime Minister mentioned in his commitment; it would provide an additional energy source at lower cost to consumers; employment and general economic benefits which include benefits to an area of Quebec downstream of Quebec City; enable the development or production of the gas that might be found off Prince Edward Island and, most important, it would allow the Arctic liquid natural gas to land at Canso which is technically by far the best port for Arctic LNG.

The maritime provinces are heavily dependent on foreign imported oil, not only for home heating and use by industry, but also for thermal power generation. Large quantities of this oil are supplied from the Middle East, where current political tensions could quite easily erupt, resulting in major disruptions in the imported oil supply.

A gas pipeline would go a long way toward improving the security of the energy supply of the maritimes. Within five years it could be supplying 20 per cent or more of the current oil markets for heating, for industries, and for thermal power generation. Major disruptions in oil supply could be alleviated further by facility additions on the pipeline if there is a pipeline in existence.

The consumers in the Atlantic region will benefit from an additional supply of energy which will be priced to be competitive with foreign oil. For example, in Nova Scotia, in the residential market under the marketing strategy of ICG Scotia Gas Limited, gas would be priced 10 per cent lower than oil prices and 75 per cent to 100 per cent of the costs of converting from oil to natural gas would be paid on behalf of the consumer. The competition and lower prices would result in lower energy costs for the consumers in the maritime provinces.

The National Energy Board, in the "Reasons for Decision" in April, 1980, notes that in New Brunswick the population that the pipeline and laterals would reach would be in excess of 310,000 and in Nova Scotia in excess of 385,000. The following is quoted from page 8-51 of the "Reasons for Decision":

> The Board notes Q & M's policies on local employment and local purchasing and believes that these would afford local residents and businesses ample opportunity to benefit from the project. This could represent a significant positive impact for areas such as the maritimes where unemployment poses a serious economic problem. Of particular interest should be the ongoing jobs created in both the transmission and distribution systems.

It is natural for the province of New Brunswick, for example, to have some concern about the environmental impact of this, but the hon. member for Fundy-Royal pointed out today that the province basically supports this pipeline. In my opinion it would be folly for the province of New Brunswick not to support it.

The hon. member for Fundy-Royal also pointed out that the minister of energy, mines and resources stated in this House on December 6 last year that the Atlantic provinces need more natural gas and that the gas pipeline would take gas to homes and industries there. It is very clear that the sponsors will take the initiative, obviously, to ask the NEB to reopen this application. But surely the minister will use his good offices to make this a simple procedure, and not cost millions of dollars, for example, which would be the case if a full-scale hearing had to take place.

● (2205)

Let me conclude by quoting a little poetry, as the Prime Minister did on the night of the election. He quoted Robert Frost. He said that the woods were "lovely, dark and deep," and he had "promises to keep and miles to go before I sleep." I could quote another poet whose name is Robert, Robert Service. In one of his poems about Canada's north, he said that "a promise made is a debt unpaid, and the law has its own stern code."

I remind the Minister of Energy, Mines and Resources and the Prime Minister that when you talk about having promises to keep and miles to go before you sleep, you better not fall asleep at the switch on this promise. It is not only in the interests of eastern Canada, but in the interests of the whole country that we have a secure and cheaper source of supply for a vitally needed commodity like natural gas. We are paying out far too much money now to eastern potentates and OPEC nations for oil. The cost is not only escalating, but it is a severe drain on this country's treasury, moneys that could be used for far more pressing needs at home and abroad than to import expensive oil when we could have natural gas of our own.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in responding to the statement by the hon. member for Central Nova (Mr. MacKay) on July 2, and on other occasions in this House, the Minister of Energy, Mines and Resources (Mr. Lalonde) assured the House that the government considers as a matter of highest priority the completion at an early date of the Q and M Pipe Lines proposal to the martime provinces. In this connection, he noted that he has had two meetings with the promoters of that project, and emphasized that the government is very much interested in seeing the pipeline completed through to the Atlantic coast.

Members will recall the fact that on May 15 of this year, the minister announced the National Energy Board's recommendation that a certificate be issued to TransCanada PipeLines to extend its natural gas transmission system to Quebec City. Steps are now being taken to settle right of way matters so that that project could be commenced early next year providing for an extension of natural gas service as far east as Quebec City. The NEB, however, was not satisfied that the Q and M Pipelines could be constructed and operated in an environmentally acceptable manner until further assessments of an environmental nature were completed by the sponsors.

The Board also was not convinced that full consideration had been given to the impact of east coast offshore oil and gas discoveries on the planning and design of the proposed maritime pipeline extension. Consequently the minister has urged the promoters of the project to complete their environmental studies and other assessments to provide information which would satisfy the NEB so that this project could be got under way as soon as possible. While the government would like to see the Q and M complete the environmental work identified by the Board as soon as possible, to date there has been no decision by the company involved to complete the necessary steps or to file a new application with the NEB.

The hon. member for Central Nova made reference during his statement of July 2 to the possible interest of the province of New Brunswick in this project. That province made known its views on energy supply before the National Energy Board in a hearing on the Q and M project. While it was certainly not opposed to the Q and M project, it was concerned that various energy options for the Atlantic region be considered before a final decision was taken on individual projects. It emphasized the importance of assessing the effects on area employment and economic development in reaching project decisions.

The federal government, of course, must have regard to the views of all governments directly affected in meeting the energy needs of the Atlantic region and this was well expressed by the minister when he addressed the Pipe Line Contractors Association of Canada in Montreal on May 15 of this year. At that time he emphasized that it was critical to choose the most efficient alternative energy sources for Atlantic Canada and that the federal government should proceed with the agreement of the provinces involved.

In summary, Mr. Speaker, the government is committed to the reduction of oil dependence in the Atlantic region, and it believes that a gas pipeline affords one of the best approaches to this objective. The government will continue to press for a completion of the pipeline project but, of course, it cannot force the National Energy Board to reopen its application. We can be assured that the NEB will be prepared to deal expeditiously with a new application and, in the meantime, the federal government is continuing with other plans for meeting future energy needs of all areas of the Atlantic region.

HUMAN RIGHTS ACT—CALL FOR AMENDMENTS TO PROVIDE PROTECTION AGAINST DISCRIMINATION OF DISABLED CITIZENS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, last week in the city of Winnipeg a great event took place, the Rehabilitation International Congress, where 4,000 people gathered from around the world, indeed more than 100 countries, to consider the problems that are endured by disabled people, not only in Canada but throughout the world. It was a great success, I would say, in terms of input from the people in the non-governmental sector, because it was mostly made up of voluntary associations.

● (2210)

One discouraging and disappointing note is that in Canada governments are lagging behind in their attitudes, their programs and in their services to disabled citizens. This, of course, includes the federal government.

We had hoped that in preparation for the great event, the congress, the new social services legislation would have been in place. It had been talked about for many years—I was on the committee which travelled all the way to Tel Aviv in 1976 to make an appeal to bring the congress to Canada, and one of

our strong appeals was that Canada was on the verge of making a breakthrough at the government level in programs and legislation for the handicapped. Of course this was not so; the social services legislation has gone down the drain and has been dropped completely.

We had also hoped to have a report from the Special Committee on the Handicapped which was set up last November. That, unfortunately, was delayed by the election, with which we are all quite familiar. As well, we had hoped that the organization committee for the handicapped which will be responsible for organizing the Canadian program for the Year of the Disabled in 1981 would be in place. Indeed, it is now in place—I think the announcement was made today—but this is after the fact.

Perhaps to pinpoint our delinquency in this regard, Mr. Speaker, I should point out that the House of Commons, Parliament Hill, is still not accessible to the handicapped even though we unanimously supported a certain motion a few months ago. If I may make the reference directly to Your Honour, we have, for example, been fighting for the designation of one single lone parking space on Parliament Hill allowing a severely handicapped person to park a car and have immediate access to the House of Commons. This is why I say governments are lagging behind.

● (2215)

But the attitudinal barriers are even greater than the problems of architectural accessibility. Someone has said that a change in law will never be able to rectify the shattering degradation that far too many physically disabled persons suffer. This is why I have been advocating since this new Parliament met that we should proceed immediately to introduce amendments to the Human Rights Act which would provide total protection against discrimination toward our disabled and handicapped citizens. I asked the minister on May 21 if she would proceed immediately to introduce this legislation as an act of good faith. Unfortunately, she replied, as reported in *Hansard* for that day:

I am aware, as I said, that the hon. member is particularly eager to amend the Canadian Human Rights Act to protect all handicapped from discrimination. That is a matter which we have looked into ourselves in all the departments concerned and which, in turn, the committee will surely want to look into.

The point I wish to make is that we have looked into it. It is not necessary to look into it again, and the committee should not really have it as one of its points of reference because Canada's human rights commissioner himself, in a letter to me on October 29, said in reference to this matter, and I quote from the last paragraph of that letter:

We have evidence of very strong public support for ameliorating discriminatory practices against those who have a physical disability.

Then he added this significant phrase:

I think the time has come.

The former minister of justice, Senator Jacques Flynn, handed on the responsibility to the law officers of the Crown to prepare the drafting of legislation. I understand that this legislation is all ready to be presented to the House of Commons. I hope that in the government's response tonight it will tell us that it is going to bring in the legislation. Everyone wants the legislation. It is drafted, and we certainly want it to be in position before The Year of the Disabled, 1981. If we wait for the report of the committee—the committee now is not going to be able to report until the end of December—it will not be in place for the commencement for The Year of the Disabled.

There are two House leaders here tonight, the House leader for the official opposition and for the New Democratic Party. I am sure I could get their nods if I put the proposal that if the legislation were introduced it would get speedy passage. Let us proceed immediately.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am very happy to respond to my good friend, the hon. member for Brandon-Souris (Mr. Dinsdale). In his question he requested the assurance of the Government of Canada that it will proceed with amendments to the Human Rights Act in order to provide full protection for the disabled against discrimination. However, with respect, I point out that this is probably a question of a legal nature, and as such perhaps it should have been directed to the Minister of Justice (Mr. Chrétien).

I am certain that the hon. member is well aware that it was impossible to complete legislative changes of such importance by the time of the Fourteenth World Congress of Rehabilitation International, which he mentioned a little earlier and which was held in Winnipeg during the last week in June.

This is not to suggest that the Government of Canada is not active at the present time in ensuring the rights of disabled people in this country. As I previously informed the House, the government has established, as the hon. member said, an organizing committee for the International Year of the Disabled, which will be in 1981, as well as a parliamentary task force on the disabled and handicapped.

Mr. Dinsdale: You are way behind.

Mr. Parent: Unfortunately, discrimination against disabled persons is still too common in the workplace because of environmental barriers, administrative technicalities or, quite frankly and unfortunately, attitudes toward the disabled.

I believe the hon. member said that this chamber and the buildings here on the Hill are not accessible to disabled persons. I point out with respect that I know for a fact that at the Confederation Building there are facilities for the disabled. There is a ramp at the back in order to get in. There are ramps at the South Block and the West Block, and I was told a little earlier by my colleague, the hon. member for Kent-Essex (Mr. Daudlin) that there also is access through the doors at the rear of this building so that the disabled can get in.

Mr. Dinsdale: The freight entrance.

Mr. Parent: If the hon. member refers to the galleries here, yes, we do not have facilities there.

Mr. Dinsdale: There is no place to park.

Mr. Parent: Parking space is another thing we probably should be looking at.

Admittedly, the Human Rights Act is not perfect, but it is still an effective weapon in the battle against discrimination, and it is through the frank assertion of its enforcement powers that we shall work toward greater equality for all Canadians.

• (2220)

Mr. Dinsdale: It was in the Speech from the Throne.

Mr. Parent: Yes, it was mentioned in the Speech from the Throne.

I should like to conclude by saying that one challenge for the 1980s for both the federal and provincial governments will be to bring into line all existing human rights legislation so as to ensure there is more uniform protection from discrimination in all areas of interest to disabled Canadians.

INDUSTRY—TERMS OF LOAN TO VALLEYFIELD CHEMICAL PRODUCTS CORPORATION—INVESTIGATION OF SPACE RESEARCH CORPORATION

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I asked a number of questions on June 17, 20 and 26 concerning the government's hosting or, as the Secretary of State for External Affairs (Mr. MacGuigan) wrote in a letter to me the other day, co-hosting a secret armaments conference, providing the Government Conference Centre for this meeting and, as I have discovered also, providing some money to help support it.

The Minister of Industry, Trade and Commerce (Mr. Gray), as reported in the *Toronto Star* of June 28, said that the government kicked in about $5,000, all of this being done basically to aid a corporation called the Space Research Corporation about which members of the House of Commons have been inquiring for over two years. Several members of the Conservative party asked questions in 1977-78, and the government has consistently been stonewalling. Obviously someone at the Space Research Corporation has a lot of friends in high places in the Liberal party and in the government. This is the same corporation that has long been under investigation. Indeed the investigation was completed by the RCMP. The same corporation was recently convicted in the United States of illegally shipping arms to South Africa.

All the questions that I have asked on these days have, with only one exception, not been answered. I realize that I cannot expect them all to be answered tonight in three minutes, so I will focus on the questions mentioned in the proceedings on the adjournment motion. The reference is to the specific questions put on June 26, 1980, and I hope the government is now prepared to answer them.

The first question, to remind whoever is speaking for the government, was whether the Department of Industry, Trade and Commerce was aware of the RCMP investigation of the Space Research Corporation when it authorized both a loan and a grant to a wholly-owned subsidiary of Space Research, namely, Valleyfield Chemicals. The minister replied:

Madam Speaker, I will get the information for the hon. lady and inform her as soon as possible.

So I am expecting this to take place tonight.

The second question I asked of the minister was whether he could tell us whether the loan to Valleyfield Chemicals is still outstanding and whether the grant has been terminated. He said again that I would be receiving answers to those questions.

• (2225)

In a supplementary question on June 26, which is apparently what we are focusing on tonight, I asked the Minister of Industry, Trade and Commerce if he would give us some assurance that until the RCMP report is made public or at least until the investigation of the Space Research Corporation that is now going on in Quebec is completed, there would be no further grants or loans to SRC or its fully-owned subsidiary. I am looking forward to a clarification of the minister's reply. He said:

—until the matter is resolved by the courts one cannot presume that the parties will be ineligible for further assistance based on economic development aspects.

Particularly I should like to know what that means and how it ties in with the statement which appeared in the June 27, 1980 edition of *The Globe and Mail* the day after I asked my question. According to the Minister of Industry, Trade and Commerce, the article indicated:

Space research will be ineligible for further aid until a decision had been made on whether charges will be laid, he added.

Those are the specific questions to which I was promised answers, and I look forward to hearing them now.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, Valleyfield Chemical Products Corporation was formed in 1977 by Canadian Technical Industries to purchase, rehabilitate and operate a military explosives and propellant manufacturing facility in Valleyfield, Quebec. It was and still is the only facility of this type in Canada. It was built originally by the Crown during World War II, and in the mid 1960s it was sold to CIL Inc. In 1976 a permanent shutdown of the facilities was announced by CIL.

Because Canadian Technical Industries is in the large calibre munitions business, it was a major customer of the CIL facility and therefore wanted the operation to be continued. As a result, the company approached the federal government for assistance to take over the operations and to carry out the required extensive rehabilitation of the facilities. At that time officials had no knowledge of the RCMP investigation of the sister company, Space Research Corporation (Quebec). For strategic and economic reasons, the government decided in the fall of 1977 to assist the company.

A non-repayable contribution of $3 million was provided under the Department of Industry, Trade and Commerce defence industry productivity program. In addition, a repayable contribution of $5.35 million was provided. The non-

repayable contribution is being vested in the company at the rate of 10 per cent per year providing its agreement with the Crown remains in place. The repayable contribution is to be repaid by 1985. These funds were expended during 1977 and 1978. The department holds the assets of VCPC as security for the continued operation of the company under the 1977 agreement. In addition, a loan of $3.75 million through the Department of Regional Economic Expansion was provided for the Valleyfield rehabilitation project.

The facility employed 250 people in 1977. Currently over 600 are working there. Export business amounts to nearly $20 million, of which almost the entire amount is to the United States. Sales in Canada are about $6 million. Since completing the rehabilitation program in 1978, the company has been profitable and is expected to continue to be profitable.

The question as to whether Valleyfield will be part of a purchase of SRCQ by the government is only one option under investigation. We still have to reach a decision and proceed to put our intentions in place. The intention is to maintain the munition capability in Canada and the many jobs that are involved if at all possible.

[*Translation*]

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

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Monday, July 7, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

ENERGY TAX ON EXPORT OF SURPLUS ELECTRICITY—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, it was stated in today's edition of *The Globe and Mail* that over the weekend in Winnipeg, at the Liberal party policy convention, the Minister of Energy, Mines and Resources (Mr. Lalonde) announced that his government is seriously considering imposing an energy tax on the export of surplus electrical energy to the United States.

There is no question that the imposition of such a tax would hit hardest at Ontario and Quebec. In view of the minister's announcement, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Minister of Energy, Mines and Resources make a statement on motions outlining the government's position with regard to the possible imposition of such a tax.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LIBERAL CONVENTION

TRAGIC FIRE IN WINNIPEG—CONDOLENCES TO BEREAVED FAMILY—MOTION UNDER S.O. 43

Mr. Robert Gourd (Argenteuil): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity following the tragic event which occurred yesterday in Winnipeg. I move, seconded by my colleague the hon. member for Vaudreuil (Mr. Herbert):

That this House offer its condolences and its sympathy to the bereaved family.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENERGY

REQUEST FOR STATEMENT ON POSSIBLE EXPORT TAX—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that last weekend the Minister of Energy, Mines and Resources (Mr. Lalonde) stated that the Liberal government is considering an export tax on all energy forms, including natural gas, to the United States, in view of the fact that this measure is obviously another attempt by his government to tax resource-based economies to pay for its own reckless and prodigal spending, and in view of the fact that an export tax on energy forms would have far-reaching implications for relations not only between the provinces and the federal government but also relations with the United States—especially since, for example, much of Ontario's electricity is generated from Pennsylvania coal—I move, seconded by the hon. member for Red Deer (Mr. Towers):

That since the Minister of Energy, Mines and Resources has no conception of the problems and divisive results this proposal could produce, this House calls upon the minister to make a statement on motions in order to enable this House to obtain a clearer understanding of his lack of understanding of these implications, and to explain whether this measure represents the Liberal government's definition of sharing between the energetic economies of the regions and the spendthrift nature of his own government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SPORTS

CALL FOR MEDICAL REVIEW PANEL TO INVESTIGATE FITNESS OF BOXERS—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a matter of urgent and pressing necessity under the

provisions of Standing Order 43 which I have discussed with representatives of both other parties: I hope my motion is seen to be non-partisan in nature.

● (1410)

In light of the tragic death this morning of one of Canada's fine boxers, I move, seconded by the hon. member for Beaches (Mr. Young):

That the federal government immediately establish a medical review panel for the purpose of examining procedures currently used to determine the medical fitness of persons about to engage in amateur and professional boxing matches in Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who said "No"?

Madam Speaker: Is the House in favour of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: There was unanimous consent to propose this motion. All those in favour will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it. The motion is carried.

Motion agreed to on division.

* * *

[*Translation*]

THE CONSTITUTION

EQUALITY OF GOVERNMENT SERVICES FOR ALL CANADIANS—MOTION UNDER S.O. 43

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an important matter of urgent and pressing necessity.

In view of the fact that the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Clark) and the Leader of the New Democratic Party (Mr. Broadbent) have all said recently that the federal government should maintain and even increase its economic powers, I move, seconded by the hon. member for Sarnia (Mr. Cullen):

That the House unanimously support a constitutional position enabling the Government of Canada to obtain greater economic powers so that all Canadians may benefit from equal opportunities and services.

Madam Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, the presentation of such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENERGY

DEVELOPMENT OF OIL SANDS PROJECTS IN ALBERTA—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, whereas unemployment in Canada is rising to extremely serious proportions, combined with a zero-growth rate, rising deficits, insecure oil supplies and a severe shortage in our balance of payments, and whereas $12 billion to $14 billion is at present waiting to be invested in two massive oil sands projects, namely, Alsands and Imperial Oil in northeastern Alberta, creating 97 million man-hours of employment across Canada which will not only contribute $3.6 billion to Canada's balance of payments but will help secure Canada's future energy supplies, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House direct the present government to aggressively pursue the construction of the Alsands project at Fort McMurray and the Imperial Oil project at Cold Lake, and announce their approval by July 30, 1980.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SPORTS

SUMMER OLYMPIC GAMES AT PETERBOROUGH, ONT.—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It concerns a matter which I am sure will receive the unanimous support of this House.

The Ontario Summer Olympic Games will open in Peterborough on August 22. In light of the necessary boycott of the international Olympics in Russia and the resulting disappointment to Canadian athletes, and in order that this Parliament may indicate its full support of Olympic competition in Canada, I move, seconded by the hon. member for Ontario (Mr. Fennell):

That should this Parliament still be in session on August 22, we would adjourn this House for a day in order that all members of Parliament from every province in Canada might attend the Ontario Summer Games in Peterborough on August 22 to show their support for the athletes of Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

AGRICULTURE

POLICY OF GOVERNMENT—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 to bring to the attention of this House a matter of grave national importance.

At the recent consistory or conclave of Liberals held in Winnipeg, not one single resolution concerning agriculture was either introduced or discussed. Knowing of the government party's reluctance to freedom of information, could it be that the agricultural resolutions or platform were discussed in camera? Therefore, I move, seconded by the hon. member for Perth (Mr. Jarvis):

That the neglected, ignored and forgotten Minister of Agriculture give us his party's complete agricultural policy in the next 30 seconds, as that is all the time apparently required.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

SERVICE IN WINNIPEG—MOTION UNDER S.O. 43

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

Having been informed by the Canadian Union of Postal Workers that local post office management in Winnipeg intends once again to discontinue counter service and close postal station D, 930 Portage Avenue, as early as September, and since this cutback in postal services undoubtedly will cause both inconvenience and hardship for local residents and businesses, especially for senior citizens, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call upon the Postmaster General to intervene on behalf of this local Winnipeg neighbourhood by assuring the continuation of counter service and by keeping postal station D open.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

MEETING WITH PREMIER LOUGHEED—DEVELOPMENT OF OIL SANDS PROJECTS IN ALBERTA

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the right hon. Prime Minister. Will he inform the House as to whether arrangements have now been completed for his meeting with Premier Lougheed; and, if so, would he give us the date and the location of that meeting?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am told that the suggestion was made of a meeting on the twenty-fourth of this month to be held in Ottawa, but I am not quite certain that that is confirmed as an agreement yet. I am flexible; I believe there is—

An hon. Member: Did you say May 24?

Mr. Trudeau: July 24. Did I not say July? I am told that a variety of places have been looked at, and various locations. This seems to be the one we are working on now.

Mr. Jarvis: Madam Speaker, my supplementary question is direct to the Minister of Energy, Mines and Resources. The minister will be aware that in addition to the end of July deadline there is also a deadline with respect to the projects of heavy oil production in northern Alberta.

One of these projects is estimated at a direct investment of $7 billion. The minister will be aware of estimates, published over the weekend, of the spin-off or multiplier effect of that particular project, indicating that over $9 billion would flow into the provinces of Ontario and Quebec as a direct result of the commencement of that project. First, will the minister confirm the accuracy, if he is able, of that $9 billion economic boost to Ontario and Quebec? Second, can he now give us his estimate of the cost of delay should that project, in the absence of an agreement, be put off one full year?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I cannot deny or confirm the estimates put forward by the individual companies at the present time. These are company estimates and as such they are put out as estimates and should be taken as such.

I want to indicate to the hon. member that he is also aware Petro-Canada and Alberta Gas have offered to get into a fourth tar sands project which is estimated at around $10

billion. So the government is quite conscious of the great significance and great benefits for all parts of Canada of those projects. We hope an agreement is reached on oil pricing soon and that these projects will proceed.

Mr. Jarvis: Madam Speaker, I am pleased the minister acknowledges the importance of the economic effect of this, because consistently he has blamed the provinces for the failure of the start-up, whereas I am sure the minister will agree that in the absence of a pricing agreement no province or company will commence this very important construction.

An hon. Member: Why not?

• (1420)

Mr. Jarvis: Somebody asks, "Why not?" They certainly do not know the facts of life if they do not know why not.

Some hon. Members: Oh, oh!

Mr. Jarvis: The minister will have the information from his department and elsewhere as to the price per barrel at which commencement of these projects is viable. In that this is not confidential information, presumably, will he tell us at what price per barrel, according to the best information he has, these projects would be triggered in terms of their commencement?

Mr. Lalonde: On the first part of the question, Madam Speaker, I should like to stress to the hon. member that the federal government met its commitments vis-à-vis the Alsands project I think about two years ago. It was the difficulty in arriving at a satisfactory arrangement among the companies concerned and the government of Alberta which delayed the projects during that period: it was not the federal government, as the federal government met all its commitments a good while ago to allow the projects to proceed.

An hon. Member: Except pricing.

Mr. Lalonde: We had a pricing agreement over the last two years and the companies were ready to proceed on that pricing agreement, but the government of Alberta chose to delay an agreement with those companies because it wanted to further pursue certain negotiations with the companies. I do not blame the province for that; I am just reciting the facts.

An hon. Member: Some of them.

Mr. Lalonde: As far as the question raised by the hon. member is concerned, I would say that obviously, again, the question as to what exact price would get those projects to proceed is a matter of argument. I can tell him the advice I have received is that those projects could proceed at a price well below the present international price.

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The facts he alluded to in his reply a moment ago do not coincide with the facts of the oil companies which have said they want to proceed with the plants.

My question is: does the minister accept absolutely no responsibility for the aggressive development of the tar sands? Is this not the policy of the minister's government? Will he not accept aggressively the pursuit of the tar sands, or is he really leaving this to Alberta, saying in effect that Alberta is running the energy policy of this country?

Some hon. Members: Oh, oh!

Mr. Lalonde: First of all, Madam Speaker, I certainly would not agree with the interpretation by the hon. member. It is thanks to the very generous fiscal incentives provided by the federal government, particularly Liberal governments of the past, that we have been able to get the tar sands projects in operation.

Some hon. Members: Hear, hear!

Mr. Lalonde: However, it is being said that I would not want to take away some credit from the provincial governments as they have co-operated in the realization of these projects. Obviously, the provinces have control of these resources; they determine the rate of royalties and things like that, and they have received their share in the realization of those projects.

That is not to say the federal government has not been a major partner. As a matter of fact, if you look at the facts in terms of fiscal incentives and investments, you will find that the federal contribution on behalf of Canadian taxpayers all over Canada in the realization of these projects has been a very major factor.

Mr. Shields: Madam Speaker, my supplementary question is addressed to the Prime Minister. Now that he has taken over the negotiations of an oil pricing agreement and obviously the responsibility for energy, mines and resources, will he pursue aggressively the development of synthetic crude in northeastern Alberta, particularly when Petro-Canada announced to the Alberta Energy Conservation Resources Board that by 1990 production of conventional crude in Alberta from existing pools will decline to 32 per cent of the present levels, and that by the year 2000 conventional crude production in Alberta will have declined to 10 per cent of present production?

Will the Prime Minister pursue aggressively the development of the tar sands industry in northeastern Alberta?

• (1425)

Mr. Trudeau: Madam Speaker, I can assure the hon. member that the answer given by the Minister of Energy, Mines and Resources to that question is the same answer which I would give, and that the minister is still responsible for the development of energy policy.

THE CONSTITUTION

LIBERAL CONVENTION, WINNIPEG—SPEECH OF PRIME MINISTER—ECONOMIC UNION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. On the weekend, in Winnipeg, the Prime Minister said, with regard to the provinces, they are creating a "garrison mentality" in Canada and they are "creating fences to keep" Canadians "apart".

Considering that right after the referendum, the vast majority of Canadian political leaders, including the premiers, indicated a co-operative attitude toward dealing quickly and seriously with constitutional reform, why is the Prime Minister now jeopardizing this very process by using such confrontationist language?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was not at that point talking about the constitutional discussions; I was talking about the importance of preserving in Canada a strong economic union. The Leader of the New Democratic Party is certainly aware that there are certain practices in Canada which would not even be permitted in the European Common Market, in terms of mobility of labour and of capital. I would think I would have the support of at least his party on that subject.

Mr. Broadbent: Madam Speaker, the point at hand is not the substance of the matter of the negotiation—

Some hon. Members: Oh, oh!

Mr. Broadbent: There is the arrogant shrug once again, Madam Speaker. Why we have a problem with the majority of the premiers who represent all parties—

Madam Speaker: Order, please. I cannot allow a long preamble by the hon. member for Oshawa, no more than I can allow it by other hon. members.

Mr. Broadbent: Since we are agreed, along with the Prime Minister and many people in the country, to speedy change on the constitution, would the Prime Minister not agree that it is essential to obtain speedy change and to take an attitude toward the leaders of the provinces which is civilized, decent and assumes the same good will which he claims to provide for himself?

Mr. Trudeau: Madam Speaker, I would think that any member of this chamber would know that in the past several months and several years the rhetoric of many provincial politicians has been precisely of the kind for which the hon. member is reproaching this government. For months we have been witnessing the spectacle of provincial politicians saying that Ottawa was this or that Ottawa was that, that we were too centralized, that we were not giving enough powers to the provinces, and so on.

I said it in this chamber in the Speech from the Throne, and I repeat again, that the case must be made for preserving the Canadian economic union strong.

Mr. Waddell: With all the power in your hands.

Mr. Trudeau: I understand that on the substance the Leader of the New Democratic Party agrees with me. That is sufficient, and if he is offended at my rhetoric, then I apologize to him.

Mr. Broadbent: Madam Speaker, the point is—it is a serious point—not whether we happen to agree or disagree on rhetoric, but that a major first ministers' conference will take place for four days. I would like to ask the Prime Minister, in that context, since fully 80 per cent of the premiers—that is, eight of the ten premiers—since the referendum have had nothing but positive remarks to make about this process, does the Prime Minister not think that it would be appropriate for him to rise to their level, instead of descending to the level of the one or two premiers who have had confrontationist things to say about the process?

Mr. Trudeau: Madam Speaker, I am always prepared to accept lessons in moderation from the Leader of the New Democratic Party and I accept the reproach.

* * *

● (1430)

HUMAN RIGHTS

EQUALITY OF INDIAN WOMEN UNDER LEGISLATION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Prime Minister. He will be aware that within the next two weeks the United Nations Human Rights Committee will be ruling on a possible violation of human rights by Canada when the case of Sandra Lovelace, a status Indian woman seeking equality, is considered by the United Nations.

Given that this is the first time Canada's record of human rights has ever had to be questioned by the United Nations, and given that this matter will be considered by that body within the next few days, will the Prime Minister show his government's commitment to human rights by immediately taking steps to remove section 12(1)(b) from the Indian Act, thereby giving Indian women equality before the law, and at the same time removing any condemnation of Canada by the United Nations?

Right Hon. P. E. Trudeau (Prime Minister): I am sure, Madam Speaker, that the hon. lady would want to put this question in context. She knows, of course, that for several years this government has been attempting to achieve that amendment. The subtlety is that we do not want to impose a solution on the Indian people. We all recognize Indians as having a culture of their own and having a right to preserve that culture. I think the attempt of my government back in 1969 to not only delete that section but, perhaps, to abolish the Indian Act in its entirety was a lesson, for me at any rate, that it was not wise even to go in a progressive direction over the heads of the Indian leaders themselves.

Discussions have been going on for, I would say, a couple of years on that very subject with the Indian leaders. The present Minister of Indian Affairs and Northern Development is in discussion with them. We indicated, I believe it was in the Speech from the Throne, that we would eventually have to act even if they were not all prepared to agree.

I am certainly in agreement with the indications of the hon. lady. Perhaps the case being decided at the United Nations will help persuade the Indian leaders themselves that they should be moving in this direction. But I am satisfied that our minister is trying to do it with their consent, rather than ride roughshod over some of their traditions.

Miss MacDonald: Madam Speaker, somewhere in the last few days I heard it stated that human rights are not negotiable. I presume that was with other people, other individuals, other organizations or with anyone in the whole Dominion of Canada. I presumed that was what the Prime Minister meant, that human rights are not negotiable, including the human rights of Indian women.

Since the Prime Minister is not prepared to move in this particular area of removing section 12(1)(b) from the Indian Act, as the Clark government had indicated to the Indian leadership it was prepared to do, I ask him what will the explanation be that he asks the Canadian delegation to take to the World Conference of the United Nations Decade for Women, which is taking place in Denmark next month, to explain the unwillingness of the Canadian government to come to grips with this issue.

Mr. Trudeau: Madam Speaker, I believe the preamble was very important to the question, because the hon. lady indicated a position which I believe is right in saying that human rights are not negotiable. Notwithstanding that, she knows that for at least ten years I have been trying to negotiate with the provinces their acceptance. At some point I suppose you have to act unilaterally. I am glad I would have the support of the party opposite in—

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): You are hoist by your own petard.

Mr. Trudeau: —acting unilaterally to impose human rights in a constitution if we cannot get agreement with the provinces. The process with the Indians is the same. The human right is as the lady stated, but we would prefer to do it with the Indians, as with the provinces, through persuasion and negotiation. That is what we have been attempting. But I accept the hon. lady's enjoiner to do it unilaterally at some point.

Miss MacDonald: Madam Speaker, just a very simple supplementary to the Prime Minister. How long is he prepared to make Indian women wait?

Mr. Trudeau: Madam Speaker, in the case of unilateral action on constitutional matters we have been waiting for 53 years. I think it is time to get along with the subject. I hope we will have the support of the hon. lady for that.

Miss MacDonald: You won't answer the question.

Mr. Trudeau: In the case of the Indians, the former minister responsible tells me we have been discussing it with them for seven years. I would say perhaps one or two years more should be the limit.

* * *

SPORTS

INJURIES SUFFERED IN BOXING—MEASURES TO REGULATE SPORT

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of Labour as the minister responsible for sport. The death of Cleveland Denny in Montreal today raises the death total to 330 boxers who have died since 1945 from injuries suffered in the boxing ring. The Denny death is reported to have followed the use of a type of blood doping.

My question to the minister—and I noted his reaction to the motion put under Standing Order 43 earlier today—is that if boxing is to be continued as a sport in Canada, what action does he propose to take in regulating the promotion of boxing with the view to eliminating fatalities such as this, and particularly the injuries suffered in the ring?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for what I consider to be a very important question. In doing so, I want to compliment the hon. member for Hamilton Mountain for the resolution that he put before the House today.

There is the difficult question of jurisdiction, not only on an interdepartmental basis but in relation to the division of jurisdiction in such a matter between the federal and provincial governments. I spoke to the distinguished Minister of National Health and Welfare on this matter before coming into the House today. We are certainly going to investigate with the Department of Justice and, if necessary, with provincial authorities, exactly where the jurisdiction lies.

In view of the tragic death of Mr. Denny, which is the latest in a series of unfortunate events in the ring, I think it is most appropriate that those authorities who have jurisdiction carry out, medically and in other ways, a careful review of the practices and the precautions that presently exist to see if they can in one way or in many ways be improved. If they cannot, then I think we must give very serious consideration, as Canadians, to how long we can allow this toll of human life in the ring to continue.

HEALTH AND WELFARE

ALLEGED USE OF DOPE BY BOXERS—EFFECT ON USERS

Mr. Joe Reid (St. Catharines): Madam Speaker, since the blood doping seems to be an unfortunate factor in this matter, will address my supplementary question to the Minister of National Health and Welfare.

Will the minister assure this House and the Canadian people that the type of blood doping alleged to have been used in this instance is not harmful to the user and that no harm can follow the combat that follows such a situation in the boxing ring?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as just mentioned by my colleague the minister of amateur sport, we both consulted this morning our respective officials concerning the tragic death of Mr. Denny. The specific question on the quantity of dope in the blood of boxers is part of the problem we would like to have looked into. If I understand current procedures correctly, a medical examination on the eve of a fight is the only requirement at this time. We are not sure that is enough, which explains the unanimous consent of the House, including the government, to having a task force look into procedures in the future.

* * *

[*English*]

THE CONSTITUTION

CONFERENCE IN NOVA SCOTIA—REASON GOVERNMENT DID NOT ATTEND

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the right hon. Prime Minister, who is aware that an important conference on the constitution was held in Wolfville, Nova Scotia, last week. He is also aware that the leader of this party, two former ministers of the Conservative party and three premiers of the four Atlantic provinces were there.

The Prime Minister was invited and three ministers of his government were invited but did not attend. I should like to ask the Prime Minister why no one from the Government of Canada attended this important conference in the Atlantic provinces, which was an insult to the premiers of those provinces.

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am afraid I do not have an answer to that question. I understand the conference was some time last week—

Mr. Broadbent: It was Wednesday, Thursday and Friday.

Mr. Trudeau: —at a time when most ministers were either working here in the House or preparing for the convention on the weekend. The hon. member knows that the House has not been sitting very much the past two weeks because of the holidays, and I imagine that no minister was able to find himself free to be there. I realize it was an important conference, and I have a briefing note on it. I understand very important subjects were discussed, and in spite of the laughter from the NDP I will attempt—

Some hon. Members: Oh, oh!

Mr. Trudeau: Well, the NDP sure needs some publicity in the Atlantic provinces.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: You got too much on the weekend.

Mr. Nystrom: Madam Speaker, it is the Prime Minister and his party who got the adverse publicity in the Atlantic provinces. Since three premiers were there, and several politicians from the opposition parties, I wonder whether the Prime Minister is now ready to apologize to the organizers of the conference and to the three premiers for not being there or having someone go on his behalf.

Mr. Trudeau: Madam Speaker, that seems like a repetition of the same question. Maybe we have the same reason as Premier Peckford had for not being there. But I will find out.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF THE LEGISLATIVE ASSEMBLY, STATE OF VICTORIA, AUSTRALIA

Madam Speaker: I would like at this point to draw the attention of the House to the presence in our gallery of the Hon. S. J. Plowman, Speaker of the Legislative Assembly of the State of Victoria, Australia.

Some hon. Members: Hear, hear!

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AGRICULTURE

DROUGHT IN WEST—ASSISTANCE FOR GRAIN PRODUCERS

Mr. Jim Schroder (Guelph): Madam Speaker, I have a question for the Minister of Agriculture. In view of the program announced in Yorkton last Thursday for cattle producers to help them cover the drought period, what does the federal government intend to do for the grain producers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the plans that the government has announced will not have anything extra over and above what crop insurance already allows for. Under the programs that we have for crop insurance, any crops that are insurable which farmers have not

covered we have not made any other payment in the past. Under crop insurance it could cost the Government of Canada up to $400 million. Through the present programs we pay about $90 million in federal premiums and the producers pay about the same amount, and with the fund that has been built up it could cost us that much money and more. I might say that crop insurance is a federal program.

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ENERGY

AIR CARRIERS FILLING UP WITH CANADIAN FUEL—PREVENTIVE MEASURES—EFFECT ON TOURISM

Mr. Girve Fretz (Erie): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. As the minister is aware, the low cost of aviation fuel in Canada is prompting many foreign-based air carriers to fill up their tanks to the limit in Canada, a practice which I believe is known as "tankering". It is my understanding that the government is considering ways of ending this giveaway.

Can the minister assure the House that if a program is implemented to stop "tankering", there will be no adverse affect on the tourist industry in Canada, keeping in mind the substantial deficit in Canada's international tourism account?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member is surely aware that, in areas where the oil supplied to consumers, and particularly to airlines, is imported, we charge the actual price we pay for that oil when we sell it to airline companies. However, in other parts of the country, where domestic oil is sold, it is true that its price comprises an element of subsidy. The government is now in the process of looking into the matter, and I trust I shall soon be in a position to announce a decision on whether or not specific steps should be taken in that regard. As for the question of the hon. member concerning tourism, I should like to point out to him that subsidizing the cost of the fuel airlines use to fly to foreign points would result, in fact, in subsidizing tourism abroad. Therefore, any action that would lead to an increase in the cost of that fuel would tend to prevent, or decrease, tourism abroad and thus be of benefit to the Canadian tourist industry.

[*English*]

Mr. Fretz: Madam Speaker, in the absence of the Minister of State for Small Businesses I would like to direct my supplementary to the same minister. Will the minister assure us that he will encourage the Minister of State for Small Businesses to talk to tourist industry officials so as to co-ordinate this government's tinkering with tankering in order to come up with a resolution of this problem?

Mr. Lalonde: Madam Speaker, I would like to assure the hon. member that full consultations are taking place at the present time with the departments concerned—in particular, the Department of Industry, Trade and Commerce—and with the tourist industry. Consultations with the provincial governments are taking place in connection with automobile gasoline subsidization, but not in connection with jet fuel. However, I can assure the hon. member that full consultations are taking place within the federal government on the issue he has raised.

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AGRICULTURE

REPORT ON VIROLOGY LABORATORY IN HULL—CRITICISM OF FACILITIES

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a question for the Minister of Agriculture. I am sure the minister is aware of Public Works' evaluation of his department's virology laboratory in Hull. This was a report prepared by J. Douglas Wilson and Associates, in which it was reported that the "facilities are archaic, inefficient and hazardous" and "represent a danger to the environment".

I would like to ask the minister what direction he has taken or given to his department to rectify this dangerous situation. He knows that this laboratory imports diseases from around the world to evaluate them in the event they occur in Canada. I understand that it is a very hazardous situation there.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have some knowledge of what the hon. member talks about. I do not know if it is on schedule or not, but a whole new facility is to be built. We do have a quarantine facility, which I am sure the hon. member knows is in the outlying area of Ottawa. This facility does a lot of the work that used to be done in those laboratories. We also have scheduled plans for new laboratories to be built in the province of Alberta that will also be doing some of this work. I would have to check and get further information to be brought up to date about this in order to give the hon. member a more accurate answer to his question.

Mr. MacKay: I appreciate the minister's answer, Madam Speaker. I can tell him that as I understand it, it will be five years before any replacement can be built. In the meantime, and again to quote from the same report, "The possibility of disease transmission to humans is dangerously high". I understand, as well, that immediately adjacent to the laboratory is a children's playground. Therefore, can I have the minister's assurances that he will delay no further in checking into this situation to see if, indeed, something should be done quickly?

Mr. Whelan: Madam Speaker, the hon. member can be given that assurance. The latest report that I saw some weeks ago showed that there could not be transfer of any disease to anyone in the immediate vicinity. Unless something has changed since that time—and I would not be aware of it—I would be as concerned as he is and probably even more alarmed than he is about it.

SHIPBUILDING

REDUCTION OF SUBSIDY—COMPARABLE PROGRAM OF ASSISTANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. It arises out of the government's decision, without comment, to allow the subsidy to Canadian shipbuilders to lapse on July 1. I wonder if the minister could tell us when the proposed comparable program of assistance might be completed and announced, so that Canadian shipyards can pursue investigation of contracts with offshore builders.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the program did not lapse entirely. The subsidy at the 20 per cent level went back to the former 9 per cent level. I am advised that most of the Canadian shipyards have relatively full order books to build ships that were eligible for the 20 per cent subsidy. This will give us time to actively and urgently carry out consultations with the industry in order to design a new cost-effective program that will be useful to the industry, the regions where the shipyards are found and the entire Canadian economy.

● (1450)

Mr. Forrestall: It is quite true that the 9 per cent subsidy does remain, and I accept that, but of course it is useless. The indication from the Minister of Transport and other government spokesmen is that the replacement program will be comparable with the 20 per cent arrangement in place up until the end of June.

I have one further supplementary: if this comparable program is imminent some time this fall—and the minister suggests there is some urgency attached to it—would it not have been in the best interests of shipyard employees, the 40,000 people involved directly or indirectly, to have left in place the 20 per cent subsidy until such time as the government was prepared to announce a substitute program?

Mr. Gray: That is a matter of debate; one could have different points of view on it. I believe it is a fact that most, if not all, Canadian shipyards have relatively full order books providing them with work until 1982, in some cases, and in others well into 1981, enabling us to consider in cabinet, on the basis of consultation with the industry, a program carrying forward what has already been accomplished but in a way which would be recognized as being cost-effective and in the best interests of the industry, its workers and the entire economy.

* * *

TRANSPORT

CARRIAGE OF GRAIN—RECOMMENDATIONS OF HALL COMMISSION

Mr. Rod Murphy (Churchill): Madam Speaker, I have a question for the Minister of Transport. Low stocks of grain on the prairies this year have resulted in elevators on the CN line to Churchill holding insufficient grain to meet the needs of the port of Churchill.

Since the Hall commission report recommended three years ago that grain be transferred from the CP and the CN line where possible, will the minister now implement that strategy to make sure there is enough grain supplied to meet the needs of the port of Churchill?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not know whether the hon. member is aware that on Friday the Canadian Wheat Board made a very important announcement. It is in three parts. It opens all quotas to all CN lines. It allows producers on CP lines to deliver to CN points without quotas. There is also a Canadian Wheat Board program of trucking from elevators on CP to elevators on CN. So this is an effort to remedy the situation which presently confronts the port of Churchill.

The subject of promoting interchange between CN and CP facilities has been debated before. It is being debated again under the chairmanship, if you wish, of Dr. Horner, the grain co-ordinator, and the two railways would apparently be ready now to make accommodations.

Mr. Murphy: I am aware of the announcement of the Wheat Board, Madam Speaker. But that statement pointed out the problem, rather than the answer. The point is this: since no interchange is presently in place there is insufficient wheat for the CN line and the farmer has no means of making a profit. What does the minister intend to do about this? It is not enough to say the Wheat Board has made an announcement. Hall made his recommendation three years ago: do something now.

Some hon. Members: Hear, hear!

Mr. Pepin: As to the importance of the interchange, I said very clearly that there had been a debate on the subject, how important it is, and so on. But I thought I was very specific in saying that Dr. Horner is conducting negotiations between the two railways at the present time. I went further and indicated that the atmosphere at these negotiations is very good.

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VETERANS AFFAIRS

DISPOSITION OF LEGISLATION TO BE INTRODUCED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence, due to illness, of the Minister of Veterans Affairs I should like to direct a question to the Prime Minister relating to veterans legislation which was introduced by our government in Bill C-28.

The right hon. gentleman will know that Wednesday is an allotted day for the official opposition. It is a day which we would be prepared to postpone until the fall if there were

all-party agreement to pass the veterans legislation in all its stages on that day, Wednesday.

Some hon. Members: Hear, hear!

Mr. Clark: I have consulted with representatives of the New Democratic Party. The parties on this side of the House are prepared to proceed in that way—all-stage passage of the veterans legislation on Wednesday of this week. Would the Prime Minister tell us whether the legislation is ready, and whether the government is prepared to introduce it on Wednesday for passage through all stages?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I did not quite understand the offer made by the Leader of the official Opposition. Does he wish to postpone the opposition day or sacrifice it for the benefit of veterans? I wonder about the authenticity of his generosity. In any event, the hon. member for Winnipeg North Centre (Mr. Knowles) has insisted several times in the House that this bill be introduced in Parliament as soon as possible, especially before the summer recess. And on every occasion the Minister of Veterans Affairs gave him the assurance that the government wanted to have this legislation prepared, introduced and passed as quickly as possible. So I will offer the Leader of the Opposition the same assurance that the Minister of Veterans Affairs has always offered the hon. member for Winnipeg North Centre, that is, we will do everything necessary so that the appropriate piece of legislation will be brought before Parliament in the very near future. I thank in advance the opposition parties for their offer to allow us to have it passed as quickly as possible, that is, in less than one day.

Mr. Clark: Madam Speaker, the minister has talked his way around the question.

[*English*]

I indicated to him that this party is prepared to postpone an allotted day which is ours by right so that the veterans of Canada need wait no longer for legislation which was prepared, printed and ready for passage under our government and which should be ready under this government. With the agreement of the New Democratic Party, I have been able to offer him an assurance that the bill will be passed through all stages on Wednesday.

[*Translation*]

My question for the government is as follows: Is the legislation which our government had prepared now ready with the Liberal government and, if so, is the government prepared to introduce it this Wednesday so that Parliament can pass at all stages this important piece of legislation for the veterans of Canada?

[*English*]

Mr. Pinard: I would have liked to have heard the Leader of the Opposition say he was prepared to give up the day, not postpone it. That, of course, would be real generosity.

Some hon. Members: Hear, hear!

Mr. Pinard: In any case, this legislation is under preparation and I am willing, in the name of the government, to introduce it next Wednesday if I have the agreement of the opposition parties to dispose of it in one day. I would appreciate it, though if the Leader of the Opposition would be serious and give up the allotted day he is talking about.

Mr. Clark: Just so we are clear about this, we on this side were so prepared to give the veterans of Canada their legislation that a bill was on the order paper, ready for debate and passage, when the party opposite brought our government down. That was our priority. Knowing the pressures under which Parliament sits during the summer, we are now prepared to postpone until the fall an allotted day, this Wednesday—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. Does the Leader of the Opposition have a further question?

Mr. Clark: I have many, Madam Speaker. The minister, in delaying further the passage of this legislation, spoke about next Wednesday: "this Wednesday", he is now saying. So he is accepting our offer to introduce the bill that day and to have the allotted day postponed until the fall; is that correct?

Mr. Pinard: I always had the impression during the previous government that they were more interested in income tax credit on mortgages than in veterans.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pinard: Madam Speaker, I made myself very clear. I said that on Wednesday we would be introducing the bill in question and that the opposition parties had assured us we could put it through all stages. That is what we shall do this week, and I said to the right hon. Leader of the Opposition that I was disappointed he kept asking that the day allotted to the Progressive Conservative Party be postponed rather than given to the House to enable us to look after veterans. So this is very clear, Madam Speaker. We shall be introducing the bill on Wednesday. The opposition parties have assured us that we would deal with the bill through all stages and, in my opinion, it is regrettable that the Leader of the Opposition would not change his mind and still insist he wants the allotted day postponed instead of giving it for the benefit of war veterans.

● (1500)

[*English*]

HEALTH AND WELFARE

INCREASE IN GIS—PLANS TO ENSURE PAYMENT DIRECTLY TO SENIOR CITIZENS

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, my question is addressed to the Minister of National Health and Welfare. Given the questionable attitude of the Ontario government in the matter of the $35 GIS pension increase recently unanimously approved by the House, can the minister inform the House of any action she has taken or intends to take to ensure that this increase is not misused by changes in the comforts allowances paid to persons in nursing homes or other institutions, and can she tell the House what she plans to do to make sure that this money goes directly to the senior citizens who need it desperately?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, very unfortunately, our direct power is limited, although that is not to say non-existent. The only thing we could have done would have been to exempt from the increase pensioners living in institutions, anticipating negative attitudes in some provinces. We did not do that, and I am still hopeful that the government of Ontario, whatever the strange language of Mr. Norton and Mr. Miller, will pass on the full $35. I sent a telex again on Wednesday of last week to Mr. Norton asking if, yes or no, the $35 will be passed on to seniors, but unfortunately I have not yet received an answer.

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ENERGY

REPORTED TAX ON PRODUCTION OF GASOHOL—GOVERNMENT POSITION

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Minister of Energy, Mines and Resources. In statements made by him at the weekend he mentioned that he was considering a tax on the Minnedosa plant for the production of gasohol. We on the prairies believe that gasohol is a viable fuel alternative. Is the federal government planning any additional taxation on the production of gasohol at this time?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have not seen the report to which the hon. member refers, but I would be very happy to give him the assurance that we are not considering any tax on the production of gasohol. This is the first time I have heard about this. This matter has never been brought to my attention even for consideration, so I do not know where the report would have come from.

Mr. Epp: Madam Speaker, I would like to ask the minister whether he has recommended to his cabinet colleagues that the surety bond, especially for co-ops and farmers who want to get into the production of gasohol, be removed or at least reduced substantially so that co-ops and small farmer groups can in fact get into the production of gasohol, not at a later date but within this same crop year.

Mr. Lalonde: Madam Speaker, I am glad to see that the hon. member is talking about helping rather than hindering the development of gasohol production. I can tell him that indeed this is a matter I am considering, but I have not yet reached the stage of making a specific recommendation to cabinet. However, in the process of a general review on energy which we are carrying on at the present time, this very subject is being examined.

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ENVIRONMENTAL AFFAIRS

AIR POLLUTION—ACTION BY GOVERNMENT OF ONTARIO

Hon. Bud Cullen (Sarnia): Madam Speaker, I have a question for the Minister of the Environment or, in his absence, his parliamentary secretary. Recently, the government of the province of Ontario established certain pollution control standards which Inco must meet in the battle against acid rain. However, the June, 1980, press release regarding the report of the IJC states that the province of Ontario itself has failed to meet deadlines for complying with air pollution control objectives in the Sarnia-Port Huron area and in the Windsor-Detroit area, and that SO_2 emissions have actually increased. Locally, the Lambton Industrial Society has actually reduced SO_2 emissions from industry.

Will the minister or the parliamentary secretary confirm that the province of Ontario is taking steps to meet these standards and, in particular, require the hydro-generating station in Lambton County to take the action necessary to reduce SO_2 emissions?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I will take the question as notice.

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PRIVILEGE

MR. GAMBLE—PROCEDURE ON PASSAGE OF S.O. 43 MOTIONS

Mr. John Gamble (York North): Madam Speaker, when the hon. member for Hamilton Mountain (Mr. Deans) introduced his motion under Standing Order 43, I very clearly and in a loud and audible voice indicated that I was opposed to the motion.

Mr. Cousineau: You were not even here.

Mr. Gamble: The circumstances which followed my opposition to that motion were as follows. Your Honour gave no recognition of having heard me, which might well be a consequence of simply not having heard me. Your Honour then took

some instructions from an officer of the House and read the written motion, after which I once again in a clear and audible fashion indicated that I was opposed to the motion. After further consultation with an officer of the House, Madam Speaker, you then departed from the regular practice which you have followed since I have been in the House and since you have acted as Speaker.

Mr. Chénier: You are challenging the Chair.

Mr. Gamble: Having concluded that you interpreted that there were more yeas than nays with regard to the motion, Your Honour concluded that the motion had indeed passed. This is not the first such circumstance. In the past, after having asked for a voice call on a first reading of a Standing Order 43 motion and having heard a negative response upon reading the motion, Your Honour has decided that the motion indeed had been lost. What I fear you have done, Madam Speaker, is changed the meaning and interpreted differently the words of Standing Order 43, which now should read: "A motion may, in case of urgent and pressing necessity previously explained by the mover, be made so long as there are no more than four negative opposition voices to that motion".

What concerns me is exactly what is transpiring. There is no doubt but that each individual member of Parliament has the right, in dealing with a motion under Standing Order 43, to indicate clearly whether he is opposed or whether he supports the motion.

In this case we have a circumstance in which clearly under the criminal law of Canada this Parliament has ample jurisdiction to prohibit professional boxing in Canada; but when it comes to regulating for health reasons the manner in which a boxing match may take place, one should have regard to the various doubts which are expressed by the law officers of both the minister responsible for amateur sport and the Minister of National Health and Welfare (Miss Bégin). There is no clearly defined decision which has yet been rendered as to whether this matter is within the purview of the Government of Canada. It is, however, an illustration of a mad precipitation of regulation by this House without knowing whether it is a matter which should indeed be dealt with by the provinces.

I submit that just because a member stands in his place in making a motion under Standing Order 43 and indicates that he may have spoken to other members of other parties, does not mean that all members of this House agree. That, unfortunately, may well be the inclination to which Your Honour is drawn when you hear those opening words.

There is a member of the government who regularly takes it upon himself to say "no" to a great number of motions which are brought under Standing Order 43. Madam Speaker, I think that one might well cast one's eye across other benches on this side of the House in order to determine whether, at first instance, there are some who are opposed to a motion which may, at first blush, appear to have the consent of all members of the House. The essential issue is whether, having failed to hear a negative response, we are now to interpret your ruling to mean that so long as there is not a greater number of members opposed than five, the motion will be put again, and if five members do not rise to challenge your ruling the motion is passed by unanimous consent.

• (1510)

I now go on to deal with an additional matter. If indeed the motion is to be passed under Standing Order 43, does it matter whether it is at the first reading of the motion by a member of the House when it is determined whether there is unanimous consent, or is it when the motion is handed to you, Madam Speaker, to be read that it is determined that it is unanimously passed? I submit that it is on both occasions. When you read the motion which is presented to you in writing, if you fail to receive unanimous consent, then the motion cannot pass under Standing Order 43.

Madam Speaker: I thank the hon. member for the notice he gave me during the question period that he would raise this matter as a question of privilege, but I must tell him that the Chair is the only one competent to determine whether or not nays are heard in the House. In this particular instance, I asked whether there was unanimous consent for this motion. I did not hear—I repeat that I did not hear—any nays from either side of the House. May I just say, for the information of hon. members, that I listen with my ears rather than with my eyes. I think hon. members might have noticed that often I look at the floor in order to concentrate better and to hear whether or not there are any nays, whether they come from one side of the House or the other. I do that usually because sometimes there is a lot of noise in the House and it is difficult for me to hear any nays.

The hon. member says he had said nays at the time I asked whether the House would give unanimous consent to have this motion put to the House. I did not hear him. When I did put the motion to the House, I heard a nay. It is at that point that I asked for the advice of the Clerk of the House in order to ascertain the procedure. Therefore, I followed the regular course in the case of motions under Standing Order 43. The hon. member would have had another chance at that point, because I asked the House whether it gave consent to the motion. Having heard some hon. members on this side say nay, I asked for yeas and I heard some yeas and then some nays. I said I felt the yeas had it and the motion was carried at that point. The hon. member could then have used some procedure in order to make a point concerning this motion.

So I have to tell the hon. member that I feel I have followed the normal procedure. I am the only one competent to hear the nays in this House. There might have been some confusion, I do not deny that, but the fact is that on the first instance I heard no nays and on the second instance I heard nays, and then I proceeded to ask for the yeas and nays. I have heard the hon. member on this question of privilege but I think he will admit that I followed the regular procedure.

BUSINESS OF THE HOUSE

Mr. Knowles: Madam Speaker, I rise on a point of order with respect to the business of the House. I wonder if it could be made very clear as to what the intention is for Wednesday. I welcomed the suggestion made by the Leader of the Opposition (Mr. Clark), but to me there is still some doubt. Is it now clear that the bill respecting veterans will be brought in on Wednesday provided that there is agreement to put it through all stages, whether or not the Conservative opposition day is given up for that purpose?

[*Translation*]

Mr. Pinard: The hon. member does not miss a thing.

[*English*]

Some hon. Members: We did not hear.

Mr. Pinard: My answer to the hon. member's question was "Yes".

Mr. Knowles: Thank you.

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PRIVILEGE

MR. ROBINSON (BURNABY)—RECOGNITION OF GOVERNMENT MEMBERS DURING QUESTION PERIOD

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege of which I gave notice earlier at the conclusion of the question period. As some hon. members will have noted, a number of members on this side of the House in this party walked out prematurely immediately prior to the conclusion of the question period. The reason for this and the reason I raise this question of privilege is to express what has been a concern, which has been growing over the course of recent question periods, about the conduct of the question period in the recognition of government members by Madam Speaker.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): The reason that this affects the privileges of all members of the House, and in particular of members of the opposition, is that—could I have some order from the opposite side, Madam Speaker? Today in the House there were at least three government members who were recognized on questions which basically—

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): —gave ministers of the Crown opportunities to make announcements. I submit, with respect, that that is an abuse of the process of this House and of the privileges of members of this House. The only opportunity that we as members of the opposition have, in many instances, to have access to cabinet ministers is through the forum of the question period. You, Madam Speaker, will be aware of the fact that the number of questions which have been accorded to

government members in this Parliament is significantly greater than the number of questions which were accorded by your predecessor.

I note also that there appears to be a practice developing by you, Madam Speaker, of recognizing government members on a question at the conclusion of each question period, of recognizing government members for perhaps two or three questions in addition. We have this opportunity only to pose questions to cabinet ministers, and I suggest, with respect, that there must be a change in this practice if we are to be able to perform our jobs as members of Parliament on behalf of our constituents, particularly as members of the opposition to be able to ask the kinds of questions which should be asked of ministers of the Crown.

I should like to say in conclusion that it is an abuse for members of the government to take this opportunity to set up a cabinet minister to give an answer to a question which in some cases is either being read or is an announcement made by that cabinet minister.

So I hope, Madam Speaker, that you will review the record of your predecessor in this matter. I hope that you will perhaps recognize, more than you have in the past—I say this with respect—the critical importance of the question period to the opposition, that you will recognize that members of the government have many more opportunities, in their caucus and elsewhere, to raise these kinds of concerns, and that ministers of the Crown have many other opportunities to make the kinds of announcements which are made in response to set-up questions by government members.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, it had not been my intention to rise because I am well aware that you are able to defend yourself, but since a motive was imputed by the hon. member for Burnaby (Mr. Robinson) to members on this side, I should like to remind him that Liberal members have the same rights in this chamber as all other hon. members.

Some hon. Members: Hear, hear!

Mr. Collenette: I resent the tone used by the hon. member for Burnaby. I sat in this House during the Thirtieth Parliament and I noted that Mr. Speaker Jerome varied from day to day, as you do, Madam Speaker, the number of people he recognized from each party. I remember that at one point six members on this side of the House were recognized on a particular day—this was a couple of years ago—and there were no objections at the time. I have looked around and I have seen a number of members on our side wishing to ask questions, yet only one or two of them are recognized. We do not complain; it is the luck of the draw. For the hon. member to say that members on this side of the House are setting up ministers only shows that obviously he is not listening to some of the questions asked, because some of the questions that are asked of ministers of the Crown are very pointed, as are the replies.

So I would ask the hon. member to withdraw his insinuation or his imputation of a motive, which I believe is unparliamentary.

Madam Speaker: I should like to close the discussion because obviously no question of privilege is involved. I want to remind the hon. member for Burnaby (Mr. Robinson) that the Chair cannot get involved in the quality of a question nor in the intent of a question. If it appears to the hon. member that the question has been set up, this is a matter which must be dealt with between hon. members in the House, certainly not by the Chair.

● (1520)

As for the number of members on my right-hand side of the House that I have recognized, if I gave the hon. member the statistics on the numbers of questions which have been allowed by members on the government side, he would see that in fact they have had a chance to ask very few questions, although they have the same rights as other members of Parliament and have preoccupations concerning their constituents regarding which they like to have questions answered in the House.

Out of 15 or 16 questions today, Liberal members had three questions and no supplementaries, which they never have. I feel members on the government side have more opportunities to meet members of the government in order to discuss some of their matters. Therefore, I have followed the practice of my predecessors of never allowing them to ask supplementary questions. The hon. member must recognize that on some days members on the government side have had no questions at all; most of the time they are allowed two, sometimes three, and I am sorry to say that some days they might be allowed even more than three questions. The allocation of questions must be done fairly, but if some members have sacrificed questions, I do not think they are on my left-hand side of the House; on the contrary they are on the other side.

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THE LATE JOE SPONARSKI

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise on a point which is of a rather personal nature. I realize the House does not allow for this, but in this case I should like to refer to the tragic death yesterday of Mr. Joe Sponarski of Winnipeg. Mr. Sponarski was a resident of Portage la Prairie and I knew him over the last two federal elections because he was my opponent. I came to know and respect him as an opponent, and also to know his family and consider them as friends. It was with a sense of sadness that I learned this morning of his death yesterday. I should like to express my condolences, and I know members on all sides of the House would want to join with me in expressing sincere condolences for the tragic bereavement of the Sponarski family.

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order with respect to House business. Is it the intention of the government to introduce the bill on veterans' pensions later today and, if so, I want the minister to know now that he has our consent to do so. We would take the appropriate steps to change the order to allow that to be done, if he wants to do that. I wanted to ask him his intention and indicate our intention with respect to the veterans' bill.

The second matter concerns the saltfish bill which is second on the order of priorities for today. My understanding is that there may be some feeling in the House that we could proceed with that bill through Committee of the Whole today as it is rather short. I think that would be agreeable as well, if my friend would consider it at the outset.

Mr. Pinard: Madam Speaker, the agreement made on the first point is very clear. I do not know if the Tory party will give up the day next Wednesday or only postpone it, but whatever they do, we will bring the veterans' bill in for discussion. It is understood among parties that it will be adopted through all stages next Wednesday. This bill will not be introduced today, but as soon as we are in a position to give copies of the bill to hon. members, we will do so. It could be at the end of the day tomorrow or early Wednesday morning.

Mr. Baker (Nepean-Carleton): Fair enough.

Mr. Pinard: On the second point, the Saltfish Act, it is true we have an agreement that, after a speech by each party today, we will go into Committee of the Whole and through third reading also.

Mr. Knowles: Madam Speaker, there are two points before us at the moment. With respect to the bill concerning veterans, I hardly need to repeat the offer I have made a good many times, in so far as this party is concerned, to put that bill through quickly. If it is introduced some time tomorrow or even Wednesday morning—so long as we have it by Wednesday—we will see to it that it gets through all stages that day.

With respect to Bill C-7, the saltfish bill, we are prepared for the second reading motion to be altered so that the bill goes into Committee of the Whole. Also we are prepared to see that bill through all stages today.

Mr. Pinard: Madam Speaker, I have just one point. Before calling Bill C-7, the Saltfish Act, there is an agreement that when Bill C-26 is called the bill will be referred to the appropriate standing committee of the House without any debate. I would like Bill C-26 to be called before Bill C-7.

Mr. Baker (Nepean-Carleton): Madam Speaker, I had intended to say that the bill second in priority today would be Bill C-7. Indeed it is the intention to deal with Bill C-26 very quickly.

Mr. Knowles: Yes, Madam Speaker, we are also prepared to deal with Bill C-26 at second reading without debate. We have

offered that agreement because it has been made clear to us that, when the bill goes before the standing committee, certain groups that wish to appear before that committee will be given the right to do so. It is on that basis that we are prepared to give second reading to Bill C-26 without debate today.

ROUTINE PROCEEDINGS

[*English*]

SMALL LOANS ACT

MEASURE TO REPEAL

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-610, to repeal the Small Loans Act.

Some hon. Members: Explain.

Mr. Blenkarn: Madam Speaker, this bill has been agreed to by members on all sides of the House. Earlier last month there was a negotiation whereby this party and the New Democratic Party agreed with members of the government that we would pass a bill of this nature immediately through all stages. I suggest to the President of the Privy Council (Mr. Pinard) that we might be prepared to go through all readings of this bill right now.

Mr. Pinard: Madam Speaker, I would have liked to be consulted first. I should like to look into the matter; I am not in a position to agree today.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 19, 353, 370, 639, 800 and 969.

[*Text*]

PERSONS OF IRANIAN ORIGIN IN CANADA

Question No. 19—**Mr. Cossitt:**

1. How many persons of Iranian origin are in Canada (a) on a visitor's visa (b) on a student's visa (c) on a working visa (d) by landed immigrant status as of the date the answer to this question is prepared?

2. How many applications for visas or landed immigrant status, by Iranians, have been received since the current crisis in Iran has occurred and how many were (a) accepted (b) rejected?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

1. (a) 2,538

(b) 1,974 of these are in Canada with authorization to study at a Canadian educational or training institution, and

(c) 273 have authorization to accept specified employment in Canada.

(d) 4,949 Iranian citizens were landed in Canada between 1946 and 1979 inclusive.

Notes: I (a), (b) and (c) show preliminary figures as of April 1, 1980,

II included in the 4,949 in (d) is a preliminary figure of 1,063 Iranian citizens for 1979. In reference to (d), it is impossible to estimate how many of those landed during that period may have since left, since there are no exit controls. 1946 was the first year Iran was treated as a separate country.

2. Total applications received abroad from November 4, 1979 to April 1, 1980—339.

(a) Approved	23
(b) Withdrawn or	
Failed	108
In process	208

Total applications received in Canada from November 4, 1979 to April 1, 1980—40.

(a) Approved	1
In process	39

Note: November 4, 1979, was the date the United States Embassy in Iran was seized and hostages taken.

SECRETARY OF STATE—NUMBER OF PERSONS IN THE SX CLASSIFICATION

Question No. 353—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of the Secretary of State (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979, and, if so, what effect did such a change have on the number of SXs employed?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

1. (a) Twenty-two
(b) (i) Thirteen
(ii) None

2. Twenty
(i) Eleven
(ii) None

3. The transfer of Fitness and Amateur Sport to Labour Canada has reduced the number of persons employed in the SX classification.

Order Paper Questions

SOLICITOR GENERAL—NUMBER OF PERSONS IN THE SX CATEGORY

Question No. 370—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of the Solicitor General (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979, and, if so, what effect did such a change have on the number of SXs employed?

Hon. Bob Kaplan (Solicitor General):

Ministry Secretariat

1. (a) 8
   (b) (i) 1
   (ii) None

2. (a) 10
   (b) (i) 1
   (ii) None

3. Yes but there has been no change in the number of SXs employed.

The Correctional Service of Canada

1. (a) 19
   (b) (i) 5
   (ii) None

2. (a) 23
   (b) (i) 5
   (ii) 1

3. Yes but it did not affect the number of SXs employed.

National Parole Board

1. (a) 27 order in council appointments
   1 Public Service Employment Act employee
   (b) (i) 8
   (ii) 6

2. (a) 28 order in council appointments
   1 Public Service Employment Act employee
   (b) (i) 9
   (ii) 4

3. Yes but it did not have any effect on the number of SXs employed.

Royal Canadian Mounted Police

1. (a) None
   (b) Not applicable

2. Not applicable

3. No

Note: The answers to parts 1 and 2 are formulated on the understanding that the Royal Canadian Mounted Police have no employees in the SX classification per se, even though many of the senior officers are, for the purposes of pay, deemed to be SX equivalents.

SOLICITOR GENERAL—NUMBER OF PERSONS IN PUBLIC RELATIONS

Question No. 639—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of the Solicitor General?

Hon. Bob Kaplan (Solicitor General):

7 — Ministry Secretariat
9 — The Correctional Service of Canada
30 — Royal Canadian Mounted Police
3 — National Parole Board
49

ENVIRONMENT—EFFLUENT DISCHARGE TO THE NIAGARA RIVER—SCA SERVICES OF LEWISTON, N.Y.

Question No. 800—**Mr. de Jong:**

1. Did the Department of the Environment take any action with regard to the proposal by S.C.A. Services of Lewiston, New York to dump 2,000,000 gallons of effluent into the Niagara River and, if so, what action was taken?

2. Were representations made to the American government or the state of New York and, if so, to what extent?

3. Is the Minister aware of the plans to dump 2,000,000 gallons of effluent daily into the Niagara River which then flows into Lake Ontario and the St. Lawrence River?

4. Is the department aware that over 100,000,000 gallons of dangerous wastes are already in storage very near to the Canadian border?

5. Are steps being taken to ensure that Canada's environment is protected from such waste disposal methods and, if so, what are they?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): 1. Environment Canada officials have been closely following public hearings which are being held in New York State into the proposed discharge of 1,000,000 gallons (U.S.) of treated liquid industrial effluent to the Niagara River. These hearings commenced June 25, 1979, and the department is closely following proceedings as they continue almost one year later.

2. Concerns of the Government of Canada regarding water quality of the Niagara River have been formally presented to the United States Government on three occasions. In the latest of those communications (April 15, 1980), assurances have been sought of the government of the United States that in any and all regulatory activities, including those associated with SCA, United States jurisdictions will respect the obligations undertaken in the Boundary Treaty of 1909 and in the

1978 Great Lakes Water Quality Agreement. In addition, on April 18, 1980, the Minister of the Environment met with the administrator of the United States Environmental Protection Agency to urge him to seek a re-examination of the SCA project, in light of the continuing concerns of Canadians and the fact that the Niagara River already carries a substantial pollution load.

3. The Minister of the Environment is aware of plans of SCA Chemical Waste Services Inc. of New York state, to discharge up to 1,000,000 gallons (U.S.) of treated liquid industrial waste to the Niagara River.

4. The department is aware that about 105,000,000 gallons (U.S) of treated liquid industrial waste is in storage at the SCA plant site, four miles from the Niagara River.

5. The following steps are being taken to ensure that the health and environment of Canadians will be protected.

(a) Environment Canada officials are working on a thorough re-examination of the information submitted as evidence in the SCA hearings being held in New York state; the consequences for the Niagara River arising from the conditions in the draft permit; and recent water quality data on the Niagara River.

(b) The technical and scientific expertise of Environment Canada has been offered to Canadians in the preparation of technical arguments which they may be developing for the hearings.

(c) Officials from Environment Canada, in co-operation with the Ontario Ministry of the Environment, are monitoring the SCA hearings.

COUNCIL OF RESOURCE MINISTERS

Question No. 969—**Mr. Dinsdale:**

1. Was a resource ministers council established and, if so (a) on what date (b) what was its purpose (c) what were its accomplishments?

2. Was the council supported by a secretariate and, if so (a) where was it located (b) is it still functioning and, if not, for what reason and on what date was it disbanded?

3. With reference to the joint federal/provincial responsibility in resource management and development, what co-ordinating organization has taken over the responsibilities of the resource ministers secretariat and general secretary?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): 1. Yes.

(a) The Canadian Council of Resource Ministers (CCRM) was incorporated under the Companies Act on March 5, 1964. The name was changed in 1971 to Canadian Council of Resource and Environment Ministers (CCREM).

(b) The purpose was redefined in 1974 by the council members (ministers) as:

> "To stimulate development of compatible and co-operative nature resources and environmental management policies and programs through exchange of information, consultation and debate".

(c) The following comment relative to "accomplishments" appeared in a recent CCREM statement:

> "No systematic evaluation of the effectiveness of CCREM has been attempted, nor has a list of specific achievements been prepared. Both approaches would present problems in evaluating an organization whose objectives were initially, the provision of policy advice and, subsequently, stimulation of co-operative policies. The latter provides the basis for a very generalized evaluation: as the primary forum for consultation among governments at the policy level, CCREM has made a significant contribution to the development of 'compatible and co-operative policies' in the environment and renewable resource field. This evaluation takes into account the complexities of the fields, stemming from mobility of elements such as water and air; the extent of shared jurisdiction and responsibility among governments; and the general character or working relationships among the eleven governments".

2. Yes.

(a) Initially the CCRM Secretariat was located in Montreal. It is currently located at 60 Bloor St. W., Toronto, Ontario.

(b) Yes.

3. Appropriate functions of a "Resource Ministers Secretariat and General Secretary", as defined by ministers during the 1974 reorganization, are carried on through the Canadian Council of Resource and Environment Ministers.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

[*English*]

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 935 and 1,019 could be made orders for returns, these returns would be tabled immediately.

• (1530)

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that questions Nos. 935 and 1,019 be deemed to be made orders for returns?

Some hon. Members: Agreed.

[*Text*]

DND—OFFICERS ABOVE THE RANK OF LT-COLONEL

Question No. 935—**Mr. McKinnon:**

Between January 1, 1969 and January 1, 1980, by year and by rank, what was the total paid strength of all (a) officers above the rank of Lt-Colonel or equivalent (b) DND civilian employees above the rank equivalent to Lt-Colonel?

Return tabled.

DE HAVILLAND TWIN OTTER AIRCRAFT

Question No. 1,019—**Mr. Siddon:**

1. How many de Havilland Twin Otter Aircraft have crashed during the past ten years (a) in Canada (b) worldwide and, in each case, how many persons were killed?

2. For the same years, how many such aircraft have crashed on its final approach to an airport or upon landing and (a) where did the accident occur and how many persons were killed (b) how many were due to (i) the failure of the propeller thrust reversal mechanism (ii) the failure of wing control surfaces, hinges or control rods (iii) pilot error (iv) a cause unknown or undisclosed?

Return tabled.

[*English*]

Mr. Collenette: I would ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

GOVERNMENT ORDERS

[*English*]

FORT NELSON INDIAN RESERVE MINERALS REVENUE SHARING ACT

MEASURE TO IMPLEMENT AGREEMENT

Hon. E. F. Whelan (for the Minister of Indian Affairs and Northern Development) moved that Bill C-26, to implement an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian reserve, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

SALTFISH ACT

AMENDMENT TO INCREASE BORROWING POWER OF CANADIAN SALTFISH CORPORATION

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans) moved that Bill C-7, to amend the Saltfish Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

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

Mr. Knowles: We would like to hear the statement of the minister.

[*Translation*]

Mr. LeBlanc: When things are moving so fast in the House, sometimes you cannot follow everything. I am pleased to introduce for second reading Bill C-7 to amend the Saltfish Act and increase the borrowing authority of the Canadian Saltfish Corporation from $15 million to $30 million.

As hon. members who are familiar with that corporation know, it was given under the related provincial law and legislation the monopoly over the trade of saltfish produced in Newfoundland and Labrador as well as the lower North Shore of Quebec.

[*English*]

In the past, a $15 million ceiling for borrowing has been adequate for the corporation, but important changes have occurred. The Atlantic fisheries, close to bankruptcy in the mid-1970s, are now on the upswing. As a result of the recovery of codfish resources, the northern cod stocks in particular, a dramatic surge in the supply of saltfish products is forecast. At the same time, vigorous efforts are being made to create new market opportunities for codfish products abroad, especially in countries in southern Europe which were formerly supplied by their own home-based fleets.

While we are not yet sure as to the exact amount of fish which will be harvested by our own offshore fleet in those northern, ice-covered waters, our projections show that codfish landings from inshore and near shore operations alone will exceed 200,000 metric tons by 1985 or earlier in Newfoundland alone. Landings of that quantity represent a product yield in excess of 50,000 tons, which would be 50 per cent more than the 1977-78 supply of cod products from all sources in that province. Conceivably, if there is a substantial catch from the offshore grounds, the total supply could be twice the current level.

At the moment there is general agreement among industry and my department that existing markets—and this is chiefly the U.S. market—are not expansible enough to absorb a supply of that magnitude in frozen product form. Nor will the other potential markets take all of our surplus cod in frozen product form. It is, therefore, wise to consider the principal alternative to frozen products, and that is cured codfish. I consider it prudent to plan for an approximate doubling of

salted and dried cod production over the next five years; that is, a supply of at least 20,000 tonnes per year.

[*Translation*]

When the Canadian Saltfish Corporation was established in 1970, the borrowing ceiling was set at $10 million. In 1976, that total proved insufficient and the actual limit was set at $15 million. Mr. Speaker, we have now reached a point where even that amount is totally insufficient. The prospects for the middle of this decade indicate the annual product yield will reach double the present volume. In addition, inflation complicated the financial problems of the corporation, as for any other commercial business, without the increase in prices for raw materials and processing costs at the rate of 5 per cent to 6 per cent a year.

Mr. Speaker, I would like to point out the necessity of passing those amendments as soon as possible. Indeed, this bill has for a large part been prepared and approved by the government that preceded ours and by my immediate predecessor. Mr. Speaker, as there could be a strike in the fishing industry in Newfoundland, the Canadian Saltfish Corporation could find itself forced to buy additional quantities of saltfish. And as the terms of reference of the corporation force it to buy all available saltfish, it must have the power to borrow the necessary funds to do that.

[*English*]

I am sure most hon. members will recall that the corporation is a non-profit organization which employs private firms as its agents for the purchase, processing and storage of cod, then buys the product and sells it on the Canadian and international markets.

Fishermen such as those living on Quebec's north shore of the Gulf of St. Lawrence who fish from isolated communities in small open boats have a difficult time making a living. Since 1971 the corporation has been the sole buyer of salted cod produced on the North Shore, and since that time has played a major role in the economic well-being of the area.

Over the past seven years the corporation's marketing efforts have resulted in an increase of 200 per cent in the price for salted fish paid to the small boat fishermen. As a part of an integrated operation the corporation supplies salt to the fishermen and advances loans to outfit boats and obtain fishing gear.

I am sure this proposal to increase the corporation's borrowing ceiling will be met with the general agreement of all hon. members, and that they will give their support to Bill C-7 in order that we can amend this act very soon.

Hon. James A. McGrath (St. John's East): Mr. Speaker, as the minister has indicated, this is a housekeeping bill, one which will meet with the general approval of the House. Indeed, evidence of that is the fact that the House has agreed to dispose of the bill at all stages this afternoon.

As the minister indicated, the bill in fact was introduced into the cabinet by the previous administration, a cabinet in which I had the privilege to hold down the portfolio which my hon. friend now holds. Certainly there is general approval of the need for an increase in the borrowing authority of the Canadian Saltfish Corporation for all the reasons outlined by my friend, the Minister of Fisheries and Oceans (Mr. LeBlanc).

Having said that, Mr. Speaker, normally I would take my seat, but I cannot resist availing myself of the opportunity to express a few of my concerns, which I have already made known to the minister, in respect of the direction of the Canadian Saltfish Corporation.

This is the first opportunity I have had to speak in the House on a fisheries bill. The last bill we had before the House was Bill C-28, to amend the Fisheries Improvement Loans Act. Unfortunately I was not present for that debate, but if one reads what was said in that debate one would swear, apart from references by my hon. friend opposite, that there was not in fact a change of government or that there had been a new minister in office for the previous nine months.

• (1540)

However, I just say that in passing because I will have an opportunity to lay upon the record at some future date the very substantial accomplishments of the Clark administration during the nine months it held office, particularly in the area of fisheries.

I would also like to take this opportunity to pay tribute to the minister's department. As one who had the privilege of being minister of fisheries and oceans, I found within the department a degree of dedication and professionalism which certainly impressed me and which certainly speaks well for the way in which this very important primary industry is being managed under the constitutional authority of the Government of Canada.

From the deputy minister right on down to the fisheries officers in the field, one could not find in any part of the public service of Canada or, indeed, in any other sector of Canadian industry, more professionalism and more dedication than among the men and women who serve the minister in the Department of Fisheries and Oceans. I take this opportunity to publicly thank them for the very objective way in which they supported me when I had the privilege of holding the portfolio of minister of fisheries and oceans.

Mr. LeBlanc: Hear, hear!

Mr. McGrath: I would also like to take this opportunity to pay tribute to the founding president of the Canadian Saltfish Corporation, Mr. Aidan Maloney, who is now chairman of the Fisheries Prices Support Board and who is a person upon whom I relied heavily for my advice during my tenure as minister. I am sure that my successor feels the same way and that he will utilize Mr. Maloney in the same way in which I did, because he is a very important source of good common sense and advice. He was the founding president when the corporation was set up in 1970, and he served it well.

I would point out to the minister that when the corporation was set up by the Hon. Jack Davis in 1970, there was general approval in the House to the principle of central selling of salt and cured fish. At that time Mr. Davis made it a point of having consultation with all members of the House who were particularly interested in this area of the fishing industry. I suggest to my hon. colleague that apart from the opportunities he will have to co-operate with the members of the Standing Committee on Fisheries and Forestry, it might be a good idea from time to time if we were to meet with members of the House from all parties who have a special interest in a fishery or fisheries and who come from constituencies in which fisheries play a major role.

In any event, the corporation was set up with the active support of all members of the House. I supported the bill at that time. Indeed, we all did because we felt that setting up this corporation was the only way in which we could save this very important salt fishery. At that time, as the minister said in his opening remarks, the salt fish industry was on the verge of disappearing unless it received special attention. Of course, when dealing with a commodity, obviously the most efficient, expeditious way of dealing with commodity selling is through central desk selling, as in the case of the Canadian Wheat Board.

It is interesting to note that since the corporation was set up in 1970 its sales figures have gone from $6.8 million in 1971 to $24 million in 1979. The minister has already indicated that that figure will grow even more and hence the need for increasing the borrowing authority of the corporation. The reason the corporation will grow is because of increased demands upon it by fishermen, which will come about largely as a result of the recovery of fish stocks and as a result of the failure or inability of the U.S. market to handle 80 per cent to 85 per cent of our fresh frozen fish output, as is now the case.

I might say in passing that I was disturbed to hear a few weeks ago that the EEC had turned down proposals which I had initiated as minister of fisheries and which were supported by my colleague, my successor, with respect to trading off groundfish quotas within our zone for tariff concessions in order for us to compete successfully with the Icelandic and Norwegian companies in that very important European market, which has a potential, I believe, of somewhere around 500,000 metric tons. I was very disturbed to hear that that proposal had been turned down and rejected by the EEC, largely as a result of pressure, I understand, from the United Kingdom.

Unless we can penetrate that market, then not only the saltfish sector will be in trouble but the fresh frozen fish sector will be in very serious trouble, trouble into which it now appears to be heading. I hope that the minister will have an opportunity, either in closing the debate on second reading or in the opportunity which will be afforded him in the committee stage, to tell us exactly what the position is with regard to negotiations with the EEC for our groundfish products into that market to gain fair entry and compete with Iceland and Norway, which now enjoy tariff-free entry.

The minister referred a few minutes ago to increase demands on the corporation as the result of the growth in stocks and the inability of the U.S. market to absorb the total output of Canadian fishermen in Newfoundland and Quebec, which are the only two provinces that are covered by the mandate of the corporation. He also referred to the possibility, indeed the very likely probability, of a strike by the fishermen's union in Newfoundland this summer. Of course, if that happens—and I hope it does not because it is a strike, I am afraid, in which there will be no winners—the fishermen will be able to cure or salt their fish and sell it to the corporation and not be violating the strike, because essentially it will be a strike against the fresh frozen fish processors. However, it will certainly tax the ability of the corporation to handle and market this fish successfully.

I believe that this fish can be marketed successfully because I am convinced that there is a growing demand in the world for good quality saltfish; there is no question about that. We must put the emphasis on quality if we are to compete successfully with Norway and Iceland and other countries which are selling good quality salted fish. Of course, the market is immense. We have barely touched the market, although the corporation has made substantial gains since it was founded in 1970.

That brings me to the concern which I have and the reason I am making this intervention in this debate at this particular time. Shortly after assuming the responsibility of minister of fisheries, I met with the Canadian Saltfish Corporation and expressed to them my concern. First of all, I expressed my continued support for the Canadian Saltfish Corporation and the work it was doing on behalf of Canadian fishermen. I wish to re-emphasize that it is because of my firm belief in the corporation and the responsibility which it has that I am concerned.

My concern arises out of the fact that when I assumed office I discovered, for example, that the corporation was, under contract, marketing fresh frozen codfish from a co-operative in Newfoundland. I indicated to them my reason for not wanting the corporation involved in the marketing of frozen fish, that it was beyond the terms of their mandate. I had all kinds of sympathy for the co-operative which had no way of marketing its fish, and I suggested that such sales should be eased out as opposed to being cut off abruptly in order that the co-operative in question would have an opportunity to make alternate marketing arrangements.

My concern is that such an operation goes beyond the terms of reference of the corporation as they are set out in the act. The corporation agreed that they would not engage in the business of marketing fresh frozen fish. I am now advised that a contract between the corporation and certain small independent processors in Newfoundland is in the making, under which the corporation will handle and market the product of these small processors of fresh frozen fish. In my view, that can only serve to seriously undermine the corporation and public confidence in the corporation.

● (1550)

The minister knows full well that the corporation is not without enemies and that those enemies are not without influence. All they need is an excuse to turn their guns on this very useful and worth-while corporation. That would be regrettable. I believe that if the minister sanctions this marketing arrangement with the small processors he will not, albeit inadvertently, be acting in the best interests of the corporation. I believe the small processors have a right to marketing but they have a problem in that they have to compete with the large processors. There is nothing to stop them from coming together and forming a co-operative marketing company, however.

If the minister wants to bring in a bill to set up a company to market fresh frozen fish, then we will deal with it on its own terms. Or if the minister wants to bring in an amendment to the Saltfish Act to make provision for the marketing of fresh frozen fish, we will deal with that on its own terms as well. I hope, however, that the minister does not use the act establishing the corporation for these purposes.

I should like to quote in support of my argument from the statute establishing the Canadian Saltfish Corporation, Mr. Speaker. Under the heading "Purpose and Powers", section 7 of the act reads as follows:

> The corporation is established for the purpose of improving the earnings of primary producers of cured saltfish by curing fish and trading in and marketing cured fish and the byproducts of fish curing and, in addition to the powers conferred by other provisions of this act and by any other act, has for that purpose power to
>
> (*a*) buy fish and dress, salt, dry or package it, or otherwise prepare cured fish and the byproducts of fish curing for market;
>
> (*b*) buy cured fish and the byproducts of fish curing and package or otherwise prepare such fish and byproducts for market;

There is no reference there or anywhere in the act to giving the corporation authority to buy fish in its fresh frozen state and to sell it in that form. According to the act it can specifically only buy and sell cured fish and, generally speaking, that means cured codfish. It can sell other species as long as it is cured—for example, pickled herring or salted salmon, which it now sells from the Labrador fishery. Nowhere in the act, however, is there authority for the corporation to sell fresh frozen fish. If the corporation does that, as it has in the past, and if it agrees to act as marketing agent for small processors of fresh frozen fish, then it is acting beyond the terms of its mandate and certainly leaves itself open to litigation.

I want to repeat, Mr. Speaker, that my concern stems from the fact that I believe in the corporation. I believe it has an excellent future and that it is under good management now, as it has been in the past. As the minister knows, it has a good board of directors. It is a Crown corporation responsible to Parliament through the minister, and hence we as parliamentarians have a special responsibility for it. It is because of my concern for the future of the corporation that I want to express these arguments and to state categorically that I believe the minister and his corporation would be acting outside its mandate—indeed, would be acting illegally—if the corporation were to enter into an agreement with small processors or anyone else to sell products other than cured and/or salted fish products.

In conclusion, Mr. Speaker, I just want to make one further reference and that is to the Freshwater Fish Marketing Corporation, which was the model for this corporation. As the minister knows, when this party was in office it undertook a review of the Freshwater Fish Marketing Corporation. We met with the western provinces and obtained a general agreement with them for such a review. Indeed, they agreed to name senior officials to a committee that would undertake the review. The review was to have been completed in April when there was to be a meeting of provincial ministers with the federal government in Winnipeg.

We have heard nothing of it since that time but I know the review has been completed. I wonder if the minister might take the opportunity that is open to him when he replies on second reading, or at committee stage or third reading, to tell the House exactly what has happened to that review and the role or mandate of the Freshwater Fish Marketing Corporation. I hope the minister will also take the opportunity to tell the House exactly what the position is with regard to negotiations on tariff concessions for Canadian groundfish in the very important market of the European Economic Community.

I wish the corporation well, Mr. Speaker, but I hope it does not get involved in activities that will bring it criticism. That is what will happen if it allows itself to be lured—even if for good, understandable and commendable reasons—into what in my opinion would be an illegal activity, the marketing of fresh frozen fish.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I am pleased to rise today to speak on Bill C-7 as I appreciate the necessity of increasing the borrowing power of the Canadian Saltfish Corporation. The minister outlined some of the needs and reasons for increasing the borrowing requirement. The only criticism I have is that he did not elaborate on the needs of the Saltfish Corporation.

The 200-mile extended jurisdiction for our fisheries generated a great deal of enthusiasm in Canada and raised many expectations, particularly in the fishing industry. As well as the required capacity to process the stocks from the 200-mile zone, the minister outlined the increases expected by Newfoundland alone, particularly of northern cod which is in great demand. There is some controversy about who should harvest that cod but certainly the Saltfish Corporation has an opportunity to improve the quality of its fishery and the product that it can export.

Other reasons have been alluded to in the annual reports of the Saltfish Corporation. I am sorry that the minister did not expand on some of those requirements, particularly the improvement of quality. There has been talk at times of the need for more cold storage, more drying capacity, and a different kind of fleet to harvest the catch, or at least some onboard storage and handling facilities. I would have thought the minister would have taken this opportunity to inform the House, the public gallery and the public in general in more

detail of his expectations for the Saltfish Corporation and its market.

I hope that some of the money being sought will be used to increase the research done by the corporation into the kind of product it can sell. This is an important matter, particularly when other nations are increasing their capacity as well. Others have a 200-mile limit and can manage their fishery just as well as we can manage ours. They will be looking for similar markets for their product.

Another place where the minister might give some direction is in regard to processing techniques and improvements in saltfish preparation to meet market demands. The $30 million is to be spent on improved means of preparation of the product. I hope that drying facilities will be provided by the corporation to companies in coastal communities in order to maintain employment in the onshore fishery that is so dependent on saltfish.

I should like to congratulate a former minister, the Hon. Jack Davis, who set up the Saltfish Corporation in 1970. It helped preserve those coastal communities at a time when private companies were finding that they could get a better price for fresh cod than for saltfish and so were decreasing its production. Indeed, I think the establishment of the Saltfish Corporation has justified its existence. We are now getting to the point where the Saltfish Corporation is getting some of the same benefits as some of the private companies in increased stocks, and hopefully an increased size of stock.

● (1600)

This brings me to a point that I would like the minister to explain; perhaps he will when we get into Committee of the Whole. It concerns the process by which we will improve the quality of the stock and the product that we sell in the United States market, in southern Europe and possibly in southern Brazil. The interdepartmental report filed in May, 1979, indicated that one of the concerns of the corporation and of the department was the small size of the cod that we are catching in Canada and the need to get a larger cod for a better product. The suggestion was made that perhaps we will have to diversify our present fishery. Rather than concentrating on the fresh frozen market of the United States particularly, as the major companies have, we should seek diversified markets. This party wholeheartedly supports that concept. We can no longer continually depend on a major market in the United States, a market that is attempting to meet its requirements from its own fishermen. By getting into the saltfish business and seeking different markets, we can agree and certainly support that concept. I would have liked the minister to explain how we are going to get a larger cod for the saltfish market.

The report suggests there is a possibility that the offshore fleet can perhaps provide some of the largest stock for the Saltfish Corporation and the agents of that corporation. I would have liked the minister to explain how he perceives that coming about.

The former minister who spoke recently indicated in a press release in *The Globe and Mail* in November last year that there may be an opportunity for the private companies, because of the expanding interest in saltfish, to get back to the saltfish business. I would like the present minister to comment on how he perceives the private companies and the larger corporations now coming back into saltfish marketing either through the corporation or in competition with that corporation, after having abandoned the Newfoundland and Quebec fishermen a number of years ago for higher profits in another field. Are we going to allow private companies in Quebec and Newfoundland to come into competition with the Saltfish Corporation and possibly reduce its effectiveness in terms of marketing that product on world markets? Perhaps we can ask the minister in committee if that is a possibility.

As I see it, the important thing for the minister, his department and the Saltfish Corporation is to meet growing demands. The minister made it sound as though our markets are rapidly expanding. Certainly the Puerto Rico market is the major Saltfish Corporation market. There are two countries that bought a great deal of saltfish from Canada in 1978, yet from the annual reports of the Canadian Saltfish Corporation they show a disturbing reduction in the amount of product those countries purchased in 1979. I am referring to Jamaica and Trinidad. In 1978 Jamaica purchased 3,826,000 pounds of saltfish from the corporation. In 1979 it purchased one million pounds. In 1978 Trinidad purchased over two million pounds of saltfish from the corporation and in 1979 it purchased only 1.4 million pounds. Trinidad's reduction in purchases is not of the same magnitude as that of Jamaica's, but it is still a significant reduction in the market at that level. The annual report does not indicate why there was any reduction of purchases by Jamaica or Trinidad. It would be interesting for us to find out if it is a matter of quality of product, a pricing problem, tariffs that have been imposed, or what the conditions are that are reducing exports to those two countries.

Between 1978 and 1979 total shipments were reduced from 20 million pounds to 18 million pounds. Again, this indicates that the Saltfish Corporation is not expanding its market as we may have wished and may have been led to believe by the minister's comments. It is a disturbing reduction in the total exports. We will, of course, be interested to find out what 1980 brings to the Saltfish Corporation.

While fishermen are getting better prices for their product, we do not seem to be expanding the amount of product that we are selling, at least in terms of tonnage. This is certainly true domestically and in the export field.

We support the Saltfish Corporation and we support the bill before us today which will allow the Saltfish Corporation to expand to meet the needs of fishermen and processors in the industry. We hope that the Saltfish Corporation will be able to develop a marketing strategy that will enable it to compete on the world market with other nations who will be looking for the same markets as Canada.

The $30 million should be enough to assure fishermen an adequate income and as well be enough to ensure that we do

provide the facilities and give leadership, in terms of processing and fishing to meet quality standards, something which the minister and his department have been establishing over the last few years.

What is needed in the maritimes and Atlantic provinces is leadership from the minister and an indication of where he is going. We would like an elaboration of where he is going so that processors, fishermen and people who are involved in the marketing aspect know precisely what this minister intends to do with regard to fleet development, processing, quaity standards and inspection, so that we can have a determined effort on the part of the federal and provincial governments in conjunction with the federal government, processors and fishermen. We will be anxiously awaiting further announcements from the minister as well as some elaboration from the minister on these points when we go into Committee of the Whole.

[*Translation*]

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans) moved that Bill C-7, to amend the Saltfish Act, be now read the second time and, with unanimous consent, referred to Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

● (1610)

[*English*]

On clause 1—*Limitation.*

Mr. LeBlanc: Mr. Chairman, it might help our discussion if I were to answer some of the points made. Of course, hon. members may wish to ask further questions.

I certainly share the support expressed by my predecessor for the Saltfish Corporation. In fact, if I have one slight regret it is that it does not seem to have been scheduled as one of the items to be considered by the Standing Committee on Fisheries and Forestry. I know that the Freshwater Fish Marketing Corporation will be before the committee this week and I expect that the question of the report which the former minister raised will be addressed there. The fact is, however, that the corporation has been doing the job assigned by two provinces—Newfoundland, the leading province, and Quebec, whose part of the fishery is within the limits of the corporation. They have consistently appointed good board members; with the other appointments which, I might say, have traditionally been quite free of partisanship, the corporation has done a good job.

The former minister asked me to comment on the penetration of the European Economic Community frozen and saltfish markets. We have had some success in penetrating the European Common Market with saltfish. In the area of the negotiations which are taking place I can tell the committee that the last group which went to Europe was there some ten days ago. Since I was in British Columbia until last week I have not had a full report, but today I had a conversation with some of the industry advisers who attended the meetings and it is obvious that the desire of Canada to sell fish to the Common Market countries is very strong.

The question really will boil down to what price the community will want us to pay for access to their markets, and what price we will be willing to pay in relation to their access to the Canadian fishing zones. That is the type of trade-off which will have to be fully discussed with representatives of the industry.

I might say that on the Canadian side, especially on the part of the fishermen and processors, there is a little bit less enthusiasm about the sort of trade-offs that are being talked about because the Canadian industry feels it can process most of the fish available. I have pointed out, however, that we may catch every fish in the zone but we may also need some very large warehouses. That is where there may well be honest differences of opinion and I hope to hold further discussions with the industry in the weeks to come.

One of the difficulties we face—and I think this applies to comments made by the critic for the New Democratic Party and, of course, by the former minister—is in relation to quality. I would not want to be misunderstood and indicate that we are not selling good quality fish. We are. The fact is that very often quality tends to be defined in certain markets in terms of size, the sort of product which is very attractive to consumers, especially in what I would call the luxury markets. Of course, much of this fish is caught by large trawlers and is processed immediately through the frozen fish plants. The corporation this year offered an incentive price for larger fish and has been having good results from this offer. I think this tendency will increase since these high quality, premium products tend to act as leaders into the markets we hope to penetrate. The corporation, of course, is not at liberty to be all that selective as to size, since by law it must buy all the fish offered to it by fishermen if it is of acceptable quality.

The previous minister raised the question of a few small, independent processors of frozen fish who approached the corporation and asked it to help them in marketing their product. I was immediately advised of this and pondered at some length whether, in reacting to this sort of request, I should allow this to take place. I might say to the committee that I agreed, taking into account the precedent of the province of Newfoundland. For some years the Saltfish Corporation has been acting as the seller of northern-caught char and some herring, and since the government of Newfoundland is one of the principal partners in the corporation, it did not seem to object too strenuously. Also, this was not a direct approach by the corporation, and there would be no financial exposure of the corporation, which means that this could reflect on the income of fishermen who are served by the corporation. I might say, though, that my predecessor forgot to point out that one of the aims of the corporation was to increase the income of fishermen. Recognizing that this was not a precedent which

should be taken lightly, I did indicate to the corporation that if the board approved its getting involved at the request of a few small processors, until such time as there was a mechanism to create the sort of organization for marketing that the hon. member for St. John's East mentioned, then I would "tolerate" it—and I use that word in quotation marks.

Now, it may have been that in doing this I trespassed somewhat, but I think that the board, acting upon its responsibilities, did agree that in this case the corporation could act as an adviser without exposure to itself, therefore helping the income of the fishermen. I do not see this as a long-lasting precedent. I think that the orderly marketing approach is now generally accepted. I might say that I had some excellent discussions on this issue with representatives of the Newfoundland processors at lunchtime this very day. Orderly marketing would, in fact, help to avoid this sort of situation and this appears to me to be highly desirable. But again having seen in the past that the corporation did act a little outside its mandate in the purchase of char and herring, I thought there could be a certain amount of tolerance in this case.

Mr. Chairman, in commenting on some of the points made by the critic for the New Democratic Party, I might indicate to him that one of the reasons there has been a drop in the Jamaican and Trinidad markets is the scarcity of hard currency in those countries, especially Jamaica, which has led to dramatic cuts in their purchases from Canada. This is certainly part of the explanation.

As for the drop in the amount of fish marketed by the corporation, I might say that the corporation to a certain extent plays a passive role in the sense that if a fisherman wants to sell to the frozen industry, which in 1978 was extremely vigorous and because of our dollar was selling everything it could get its hands on, then the corporation does not go out and compete directly with the preference of the fisherman.

The hon. member also talked about quality. I agree with him. I think the new president of the corporation has undertaken something of a crusade to improve quality, although I would not want this to be seen at all as a reflection on the previous authorities of the corporation. But the corporation does recognize that if it is going to invade what I call the high luxury market, that is, a market where high prices can be demanded, it must deliver the sort of product the client wants. Considerable efforts are being made in this area.

I might say, Mr. Chairman, that saltfish prices held very well during the 1974 crisis when frozen fish was in trouble. That indicates that even when the frozen fish market is very good it is wise for Canada to have the Saltfish Corporation in good health, able to provide an alternative for fishermen and also able to maintain a window on markets which have stood up well over the years. I have already indicated that the size of fish is important and that some incentives are being offered this year.

• (1620)

I think, Mr. Chairman, that I will stop there and try to answer questions.

Mr. McGrath: Mr. Chairman, I do not want to prolong the debate, but the minister did make reference in his reply to my question to the powers of the corporation and the fact that these powers were being exceeded by any attempt to market products other than cured fish. The minister said that I did not define what I meant by cured fish.

It so happens that the act clearly defines what it means by cured fish, and it might be worth entering this into the record. The interpretation section of the act, section 2, states that cured fish means fish that has received curing. Curing means processing with salt or with salt and drying. So clearly the act is quite specific. It is quite confining in terms of what the corporation may do, and the minister uses as a precedent the fact that, acting on the request of the government of Newfoundland, the corporation is involved in marketing certain products which are caught by fishermen on the coast of Labrador, namely, char and herring.

Some of that char is cured, and so is some of the herring. Some of it is also marketed in the fresh frozen state; but that is a relatively small amount of fish we are talking about from individual fishermen. Here we are talking about entering into an agreement with small processor companies which are able, quite frankly, to stand on their own feet in terms either of entering into agreements with larger companies for marketing purposes or banding together and forming a marketing co-operative which, I suggest, they should look seriously at. Or perhaps the minister may want, as I suggested in my remarks at second reading, to bring in an amendment to this act or a measure providing for marketing in certain cases for fresh frozen fish. We would certainly be prepared to deal with that.

The minister referred to the fact that this corporation will not be coming before the standing committee, and the reason it is not coming before the standing committee is that the committee anticipated this bill's coming before the House and, hence, the only chance we will have in this session to deal with the corporation is in the course of the debate on this particular bill.

I have no further comments to make other than to say that my party supports the bill. It is a housekeeping bill. We wish the corporation well, and we are so supportive of the corporation in what it is doing and we are so confident about the future of the corporation in terms of the potential for good salted fish that we see no reason why the minister should expose the corporation to criticism from those who are ready to criticize it by entering into such an agreement. Believe me, sir, I have great sympathy for the small processors. I happen to know them. I know the problem they have, and I am supportive of any measures the government may want to take to

ensure the survival of these small processors. I think it is important that these small processing companies survive.

I share the concern of my hon. friend opposite about the corporate concentration which has been taking place in the industry over the past few years. This corporate concentration does not bode well for the future of the industry, so far as the individual fisherman is concerned. I think the best opportunity we have to ensure that the individual fishermen will be adequately protected is to ensure that the industry remains competitive. The only way the industry can remain competitive, in my view, is so long as we have in place policies which will create a climate whereby the smaller processor cannot just exist but thrive and prosper.

Mr. LeBlanc: Mr. Chairman, the hon. member's point is well taken. In fact, we did look at the possibility of bringing in an amendment which might have authorized the corporation to widen its mandate, and for the very same reason the hon. member has expressed I felt that this would drag the corporation into the sort of debate which really should be settled not in that area but when and if the government brings in legislation to create orderly marketing, which could be a form of export licences, some other groupings, consortia or some other approaches which are now the subject of considerable discussion between my department, the provinces and the industry.

I think the hon. member's point that this could be an excuse for an attack against the corporation, or for this sort of amendment to be brought in or for a practice to be generalized, is a point which is well taken. If I had to err, I would prefer to err on the side of trying to help a few very small processors, who at the moment have no legal framework in which they can associate.

In fact, it might be that in the new legislation in which some groupings are created or are formed the Crown corporations in one way or another could act as a sort of umbrella for small processors who have nowhere to go and who are a bit worried about the type of concentration which my predecessor spoke about. However, I think these are issues which should be the subject of a wider debate. That being said, I recognize the hon. member's point.

Mr. Miller: Mr. Chairman, on the point of orderly marketing, I have just spent three days in Nova Scotia and met many processors who are concerned particularly about what an orderly marketing board might be. I do not want to get into a prolonged discussion about it today, but one of the concerns the fishery has is not knowing where the department or where the minister is going. I think it behooves the minister to make some of those critical decisions so that processors and fishermen have a better idea of the direction of the department and so that they can get on with the process of catching more fish and processing those fish for bigger and better markets.

I would like just to ask the minister if he could elaborate on the kinds of facilities that he sees this $30 million may be helping to initiate more than to provide. Does he see those facilities in the present processing plants that we have in Newfoundland, Labrador and on the northern shore of Quebec, or does he see an increase in the number of processing plants for saltfish in Newfoundland particularly, tending to be supportive of smaller communities, rather than the larger companies getting into saltfish through the corporation and marketing through that corporation? I think it is important to understand the desire of the people of Newfoundland to maintain as much as possible the type of fleet that is associated with the community.

I suppose my biggest concern right now is the increased funding going into the support of those processors which are already there, and if we expand our markets to increase the number of small processing plants in areas which perhaps are experiencing high unemployment as a result both of a lack of fish in those areas and a lack of markets for the fish.

Mr. LeBlanc: Mr. Chairman, the hon. member for Nanaimo-Alberni raises the point of orderly marketing. I think it was about two and a half years ago that I indicated that as the stocks were recovering I thought the Canadian industry should improve its co-ordination in the field of marketing, that we should not continue to have two or three dozen Canadian processors selling fish to brokers in competition with each other, and that our best competitors—I am thinking of the Japanese, Norwegian and Icelanders—had in fact co-ordinated and organized their foreign marketing efforts and were outcompeting us.

At the time the industry requested that it be given a chance to explore this and to come up with a voluntary approach at first. I felt that this occasion should be provided, but now even the industry does recognize that, although the voluntary approach has much to be said for it, those who are not voluntary in fact can become the culprits or the people responsible for fire sales and price cutting which, of course, weakens everybody else in the foreign markets. They can also sometimes be responsible for shipments which may not be of the highest quality.

• (1630)

So there is a general recognition that we should have a more organized and a more orderly marketing framework. On the west coast, the hon. member's coast, this is seen as being less necessary, and I suspect that the industry in that area feels that it can handle marketing with perfect competence. In fact, historically it has done quite a good job and I do not want to take anything away from them. That is why I see the possibility of formations taking place more on a regional basis than otherwise, and it may be that at one point the British Columbia industry will want us to put around some of their operations the type of framework which other countries have which strengthen their presence in foreign markets.

There is no doubt that we are in a situation in which, I think, my colleague the Minister of Justice, when he was in the Treasury Board, used to say that everybody wants to go to heaven but no one wants to die. So everyone wants Canadians to get the best market for fish on condition that this does not limit their freedom. Of course, this would not be imposed for ideological reasons. I think the idea is gaining ground now.

Canada should have the sort of strength in the world market for fish that comes from its advantages so far as resources are concerned.

The hon. member seemed to indicate that the $30 million in this bill is intended for construction and other purposes. The fact is that it is a credit increase. Although the corporation does help some of its agents with loans better to equip the facilities or to improve them, in fact it advances money to fishermen against the sale of their product or to the agents who act on behalf of the fishermen under contract with the corporation. The corporation is not very heavily involved in the provision and management of facilities, except in very isolated communities. In fact, it has provided salt and equipment and it has helped fishermen become organized in the sharing of machinery, etc. In that sense it has played an activist role, but usually only in response to a group of fishermen getting together and wanting the corporation to help them become organized. I have always encouraged the corporation to pay a great deal of attention to the isolated communities and to individuals who, with their families, often create a small but good little economic unit by salting very good quality fish as a cottage industry, including the use of their own wash line on which to stretch the fish, using their own back yards. Historically, this has been a successful venture. I see no reason why the cottage industry should not be encouraged.

Mr. McGrath: Mr. Chairman, I have no more questions to ask of the minister but I listened attentively to see if the minister would deal with the question raised by the NDP critic with respect to the role of processors in handling saltfish through the corporation. I do not think the minister dealt with the issue. I should like to bring the minister up to date on the recommendations of the MacKenzie report, which was a working group that was formed to look into the operations of the corporation. MacKenzie recommended in his report that—

> —a way must be found to foster innovative action by private traders under the aegis of the corporation . . . the initiative and energy of firms in the private trade must be enlisted for the renewal of the saltfish trade.

He was basing this recommendation on the resurgence of 2J+3KL or northern cod stock. I wonder if a way has been found to accommodate private traders.

Mr. LeBlanc: Mr. Chairman, to my knowledge a way has not been found, although there has been increased co-operation in some cases where commercial enterprises had operations in isolated communities and where salting fish was a good way of utilizing the product. I might say that my memory is a little vague with regard to consultation. I remember the MacKenzie report very well. At the time we were trying to see if we could in fact strengthen the corporation in terms of large fish which many of the private industry processors received from their fishermen. Some of the large fish could be segregated out and used for salting. One of the breakdowns which occurred is that the industry did indicate it would not feel compelled to buy all the fish which a fisherman would bring in. This created a situation where a company which was involved in the salting process could have an advantage over the corporation, which by law has to buy even fairly small sized fish. I suspect it is in this sort of debate that negotiations did not progress as much as we would have liked. There is no doubt that if the frozen market slows down, as it very well might, then the industry which a couple of years ago was doing extremely well in the frozen market might want to have a larger share in the salting operation.

Frankly, I have not seen the results of the period that intervened between my two "incarnations". I will have to check the records to see the point at which we arrived, and of course I will answer questions in the parliamentary committee if this question comes up. However, I will first check to see where we stand on this issue.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

GOVERNMENT AGENCIES

MEASURE RESPECTING RELOCATION

The House resumed, from Thursday, July 3, consideration of the motion of Mr. Cosgrove that Bill C-13, respecting the relocation of government agencies, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say just a few words on Bill C-13 which has already been debated in the House on a couple of occasions. I should like to support the complaint which the hon. member for Nepean-Carleton (Mr. Baker) made at the beginning of his first speech on this bill when he drew attention to the fact that far too often around here the government acts and then brings in the legislation afterwards. That is, in effect, what is happening in respect of this bill. Many decisions have been made and practically implemented before we get the bill to give parliamentary authorization thereto. As I say, this happens not only in respect of this piece of legislation, but it happens quite often. I think the government should be more respectful of the rights of Parliament in this regard.

● (1640)

As a matter of fact, something like this is happening on Parliament Hill right now. As hon. members know, we took over the East Block a couple of years ago in the belief that it

would be a building for additional office space for members of the House of Commons. The Department of Public Works has had its people in there renovating it and getting it ready for occupancy, but already an argument has developed as to who is to be moving into the East Block.

Mr. Cullen: I wish there was no argument. I would be quite happy to go there if no one else wants to.

Mr. Knowles: I am not getting involved in the argument personally. I started off in this building a long time ago, and I intend to stay in this building for a long time yet.

Mr. Cullen: Until the next election.

Mr. Knowles: A lot longer than that. But it bothers me, although we have been told members of the House of Commons have priority over there, that that was the reason the building was taken over, that apparently some government people think it is up to the government to have first say as to who goes in there. Then, who start to rear their heads around here?

Mr. Nystrom: The senators.

Mr. Cullen: Do you mean the people from the other place?

Mr. Knowles: The senators, the people from the other place. Before there is a decision as to who is to go there, some people have started to move in already. I understand some ministers are over there and some other people have accommodation. I just do not think it should operate in that way. However, that is an example of action preceding the decision, and I do not like it whenever it takes place.

With respect to Bill C-13, hon. members will not be surprised if I say that I favour its general principle, but there is one instance of a removal from this city to another part of the country about which I am still unhappy. As I say, I agree with the general principle that offices of the Government of Canada should be in various parts of this country, that everything does not need to be congregated here in the national capital area. For example, we have the Mint in Winnipeg. I do not think it has done anything to the money supply one way or another that the Mint is out there instead of here.

An hon. Member: Do they mint coins of the same quality?

Mr. Knowles: My hon. friend questions the quality of the coins, but that is not because the Mint is out in Winnipeg. As I say, moving some of these departments out and giving different parts of the country the opportunity to have government employment in their areas is a good idea, and I support the general principle. However, before any department is moved, I think serious consideration should be given to its functions and to the question whether people will be affected adversely.

That is the feeling I still have about moving the Department of Veterans Affairs from this capital city. I think it should have been kept here. I think the nature of its operations and the accessibility of its branches and divisions in Ottawa is something which is important. I recognize it is too late to argue about that. The Liberal government that was in power in the Thirtieth Parliament decided that the move was to take place. The Conservative government that was in power in the Thirty-first Parliament endorsed the decision and decided to go ahead with the move of the Department of Veterans Affairs and its associated bodies to Charlottetown. Now the bill is before us, so it is an accomplished fact and there is no point in making further comments about that decision.

I rise to make a very strong plea that veterans not be asked to pay the price of this move. We had it brought out in the last meeting of the Standing Committee on Veterans Affairs that the backlog of veterans' cases—and I am referring to veterans who have disabilities and are seeking disability pensions—has increased in the last few months. We were given various reasons for that, such as the death of certain doctors, the difficulty of recruitment and so on. It was never said to us in plain language that it had something to do with the move of the department from Ottawa to Charlottetown, but most of us know it has something to do with that move. As I say, I am not trying to stop the move. There is not much point; it cannot be stopped. But in order to keep up with the service to which veterans are entitled, if it means more money will have to be spent, then let it be spent by the government and by all the people of Canada instead of making veterans pay the cost of this move. Every time a veteran's disability pension is delayed, an injustice is done to him. Even if he gets it down the road a bit, justice delayed is justice denied. If it becomes necessary to increase the number of people employed by the Canadian Pension Commission, the war veterans allowance board or the Department of Veterans Affairs itself in order to keep up the service to veterans, then let us increase that number of employees and let us provide the service they are entitled to receive.

I was pleased from an exchange today that it was made clear that the bill regarding veterans, and particularly their widows, will be brought in on Wednesday. Most of us knew that it was to come in some day this week in any case, but it is good to have it, to have it for sure and to get it passed into law on Wednesday of this week. But it is not enough to provide these things in the law, particularly in the Pension Act, if veterans will suffer delays in getting the awards to which they are entitled. The very real danger is that the transferring of the offices of all branches and agencies connected with veterans affairs to Charlottetown will have that effect.

I do not see my friend from Charlottetown who I believe intended to speak on this matter and perhaps be on the other side, but I say to him that I am not arguing either against the principle of decentralizing offices or that anything more should be done to try to stop this move. The Royal Canadian Legion and other veterans' organizations did their best. All

right, the decision has been made, but my plea today is very clear. The decision having been made, if extra money has to be spent and extra persons have to be employed, be they doctors, clerks or what have you, so that veterans will get the same service from the department which is partly here and partly in Charlottetown as they would have got had the department stayed here, let those employees be hired and let that money be spent.

That is my plea, and probably it can be made with respect to some other departments as well. The superannuation branch is in Moncton now. That is not closely parallel to the case of the veterans, but there too, if this results in delays in dealing with superannuation cases, let us try and make up for those delays by employing whatever staff is necessary.

That is the comment I wish to make on this bill. I hope the problem of my friend, the hon. member for Sarnia (Mr. Cullen), or the problem of anyone else in getting over to the East Block will be resolved. I hope the principle will be established soon that these things are decided before they take place and not afterwards. I hope that in so far as the Department of Veterans Affairs is concerned it will get all of the help, backing and money it needs to provide the services to our veterans to which they are entitled, wherever the headquarters of that department may be located.

● (1650)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will just take one or two minutes to make a comment on the bill we are discussing today which will change the word "Ottawa" to "national capital", a change which, of course, reflects more accurately the country in terms of where the headquarters of certain government agencies, such as the Economic Council of Canada, and others are situated. I just want to say one or two words about the national capital and about the public service while we are discussing this bill.

I am very concerned as a person who comes from western Canada that the national capital be as reflective as possible of the country as a whole, that institutions be as reflective as possible of the country as a whole and that the departments of government be reflective of this whole country.

One of the problems we have, and this was said just a short time ago by the Speaker of the other place, the Hon. Jean Marchand, is that our country is extremely large, with a majority of Canadians now really getting from one region to another, whether it is from western Canada to Ontario or Quebec, let alone the Atlantic provinces, or vice versa. Because the country is so large I think it is doubly important that the people who work in this city for the taxpayers, those who work in Hull or in any part of the national capital area, try to be good mirrors of the country as a whole, or as reflective as possible of the country as a whole.

I said in this House a few weeks ago that often the centre tries to impress its values on regions of the country rather than the regions channelling their values and attitudes to the centre, having the centre reflect the entire country. A former very respected judge in Quebec, Robert Cliche, talked about a certain situation a few years ago. He mentioned the fact that CMHC was designing houses with very small kitchens, and one of the problems was that in Quebec the kitchen is the centre for socializing, a family centre and a place where everybody gathers and has conversations. Apparently that is very traditional for Quebeckers. CMHC had not recognized this fact. The kitchens of houses were designed here in Ottawa by a central agency and were uniform right across the country. Apparently what was good for the designers in Ottawa was supposed to be good for the country as a whole.

That is just a little example of what I am trying to say. This is a country with many communities, which makes us something much more than the totality of them all. To make this country, which is really fantastic, more reflective of those communities, we must find that reflection here in this city. All those values and all those differences which we cherish should be reflected here.

One or two other things along that line I feel are important. When the government, Crown corporations or agencies of the government are hiring people, they should include, along with the merit principle and everything else, the idea of hiring people from various regions and from among the various peoples of Canada. For example, the Indian people of this country have the need to be more directly represented in the Department of Indian Affairs and Northern Development. In other words, there should be more Indian people having more of a say over governing departments and agencies that directly affect their lives.

I happened to notice the other day a report from one of the government agencies which indicated that the Quebec people, the Atlantic people and the people of western Canada are underrepresented in the federal public service in terms relative to their numbers in the population as a whole. That is one thing the people who do the hiring in the federal government should be thinking of in trying to bring more people from all regions into key positions in the government.

The same thing should take place in respect of Francophones in the public service. We have a special committee of the House now looking at bilingualism and Francophones in the public service. I will not go into details in that regard. Many of these problems were catalogued by Max Yalden in the official languages report. It showed that, in terms of middle and upper echelon positions in the Government of Canada, Francophones are vastly underrepresented.

I did not want this bill to go through without making a few of those points. We have to strive very hard to make the national capital a reflection of this country. Such a reflection was summarized very well by the Pepin-Robarts report of a year or so ago. It referred to duality and regionalism. That is probably as good a report as any to summarize what Canada is really all about. The things referred to in that report should be symbolized here in the national capital. In other words, the national capital should become as much as possible a microcosm of the country as a whole. I know that is very difficult to do in a country so vast and geographically so

difficult to move around in, particularly at a time when it is much cheaper to get a chartered flight from Mirabel to London or Paris than it is to take an aircraft from one coast of this country to the other. These are things we have to change. I just wanted to make those few comments in passing.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

* * *

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

The House resumed, from Friday, June 27, consideration of the motion of Mr. Pepin that Bill S-6, to amend the Two-Price Wheat Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I wish to take this opportunity to speak on Bill S-6. I and other members on this side of the House have waited a long time for the presentation of this bill, which will give us an opportunity to discuss something very important to the farmers of western Canada; that is, the price they receive for the production of grain. This bill originated in 1974, six years ago.

That is a considerable time to wait for additional discussion about the price of something as important as grain.

In looking at the clock, Mr. Speaker, I see that it is approaching five. May I now call it five o'clock?

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Madawaska-Victoria (Mr. Corbin)—Agriculture—Request for hearings on establishment of national potato marketing agency; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—National Revenue—Effect of new customs regulations on small business; the hon. member for Burnaby (Mr. Robinson)—Administration of Justice—Charge of rape—Defence of consent—Amendment to Criminal Code.

Postal Service

PRIVATE MEMBERS' MOTIONS

[*English*]

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

Item no. 8, in the name of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty); shall the item stand by unanimous consent?

Some hon. Members: Agreed.

* * *

• (1700)

POST OFFICE

ADVISABILITY OF RESTORING ADEQUATE LEVELS OF SERVICE

Mr. Sid Parker (Kootenay East-Revelstoke) moved:

That, in the opinion of this House, the government should consider the advisability of restoring adequate levels of postal service to new residential communities and to guarantee that there will be no further cutbacks in postal service.

He said: Mr. Speaker, in speaking to the motion I would like to reflect on some of the history of what has taken place within the postal department. For many years postal service in the country was provided by trains which operated 24 hours a day and seven days a week. As the trains rattled across the country postal workers were busy sorting out the mail and dropping it off in various communities. We have now adopted a new system of carrying the mail; airplanes deliver the mail to various communities. I have visited some of the post offices to see exactly what is taking place.

The reason I put forward this motion is that airplanes are bringing in large bundles of mail, for example, into the Vancouver distribution centre. This centre is unable to handle this mail and to carry out the function of sorting it. When there is an overload mail is bundled up and thrown into a truck which transports it back to the interior to smaller communities. The post offices in these smaller communities are usually understaffed and it is all they can do to carry out the work of servicing the community, let alone carry this extra burden. At one of the post offices I visited there were over 200 pounds of extra mail which had been sent for sorting, which is to be done after the postal workers have carried out their regular duties. This is something which is going on throughout the entire territory.

When something is lost in the post office, and this occurs quite frequently, an investigation is begun. The people are usually told that there is no insurance on their postal package, so there is no compensation available. The postal worker in many cases is held to blame for the poor service.

The introduction of my motion is to serve two purposes, both of which are contained therein. One purpose is to ensure that there are no further cutbacks in postal service; the other is to

ensure that all residential communities are guaranteed the same level of postal service.

The post office is a vital institution in our small communities. Small towns do not have the same choice of postal services as are found in large communities. The larger communities, for example, have drugstores which help the post office. Smaller communities do not have home delivery, a service which is found in larger communities. For this reason residents of small towns use their post office much more than do the residents of larger towns. Saturday service is essential to smaller communities because in many cases the people are working away from the smaller towns and come to town on a Saturday specifically to do business with the post office and their shopping. It is imperative to these smaller communities that an all-day Saturday service be made available.

Post office lobbies must be left open after hours so that residents may pick up their mail. I think specifically of a small community like Golden where the post office closes at five o'clock. In Golden many loggers work out in the bush and when they come in after five o'clock they are unable to get into the lobby of the post office in order to get their mail out of the postal box. There have been suggestions that this is because of vandalism in post offices. If that is the case, then we should be looking to the law enforcement agencies. We do not close our stores because there is vandalism, nor should we close the post office. It is strictly a matter of law enforcement. Those postal services should be open for a decent time in the evening so that people may pick up their mail.

I received a commitment from the minister that there would not be such a cutback, but to date the situation has not been corrected. The government must make a commitment not to close post offices in such areas.

Another area at which we must take a serious look is the importance of ensuring that all communities receive the same kind of service. In new subdivisions door to door delivery often ends on one side of the street, and because someone was unfortunate enough to build a new home across the street or a block away, their mail is put in a box which is a half a mile away from the house and they must pick it up. However, these unfortunates pay the same taxes, so they should be given the same opportunities and the same services as the group within the delivery zone. How can the government defend a policy where people on one side of the street receive daily service and people on the other side do not? It should not be a political decision or a decision which is made during an election that there will be postal service to the other side of the street or that postal service will be discontinued if a certain member is elected.

I would like to make a comment on something that was said in the Standing Committee on Miscellaneous Estimates on June 3. The hon. member for Vaudreuil (Mr. Herbert) suggested that nobody in Canada should have daily home delivery of mail. He could see no reason why the aged, the infirmed and others less fortunate than himself should not have to trudge through the ice and snow to pick up their mail. That attitude was very disturbing to me, but perhaps more disturbing was the attitude taken by the Postmaster General (Mr. Ouellet), who did not take the position that one would expect from a minister of the Crown. The Postmaster General did not tell the hon. member that daily home delivery of mail in Canada is a service of the Government of Canada which will be defended right down the line. He did not chastise this government member for not seeing that point. On the contrary, he said the following:

If I were to tell you that we will curtail the door to door service which is given, I would have a union on my hands tomorrow morning.

It is a shame that the press did not pick up on that remark in committee by the Postmaster General. In this country where the postal unions are blamed even for bad weather, it is certainly interesting to know that they are the only group standing between where we are now and the total elimination of daily home delivery in Canadian cities. Every member in this House, I would venture to say, has received a letter of complaint about the postal service. Petitions with regard to the postal service have been introduced. There is a suggestion in the Speech from the Throne that the Post Office Department will become a Crown corporation in the very near future.

I would urge that this motion be allowed to stand. I ask all hon. members on both sides of the House to give it an opportunity to stand in order that we may look at the management and at what is taking place in the post office. To allow the mismanagement of this department to occur and to blame it on the workers is, I think, a great injustice. This is largely the main problem in the Post Office Department today.

In conclusion, I would point out that no one wants to see the improvement of the postal service come on the backs of the post office workers. Although they were happy with the recent settlement of the CUPW contract, they are concerned that the government may try to improve the service by doubling the workloads, which is hardly the formula for labour peace in the post office. This is not the proper attitude. It is imperative at this time that we zero in on the major problems of the post office. The contract which was signed today includes some changes to the working conditions and privileges of the postal workers. It includes a clause that in the future, if there are lay-offs, there will be replacements, and that if there is to be centralization in larger cities, there will not be cutbacks in the small rural post offices.

We must all recognize the need for postal services, particularly in smaller communities. They must have the services that they require. It was a tremendous saving to move mail transportation from the trains to airplanes. I think we must recognize there have been some savings there. We must also recognize that management of the postal department must be improved and taken out of the political arena. As a Crown corporation it would present estimates to this House for approval and there would be some supervision of the way it carried out its duties and responsibilities.

● (1710)

A short while ago, when we faced the possibility of a labour strike in the post office, I was shocked to learn that the

Postmaster General and the President of the Treasury Board (Mr. Johnston) would have had to find a formula to solve the problem. Had they not been able to do so, the Minister of Labour (Mr. Regan) would have become involved as well. This is not good enough, Mr. Speaker. The intent of the motion is to bring about a realization of the serious managerial problems which afflict the post office and of the problems of maintaining service in small communities such as those I represent.

I should like to take a moment or two to deal with the question of mail delivery. I had a complaint recently from a constituent about a letter which took three months to come from England with the news that a relative had passed away. That is not good enough, Mr. Speaker. I have complaints about letters taking as long as a week to come from Creston to Cranbrook, a distance of 60 miles. It is no wonder that some people are taking their business to the courier services and paying exorbitant fees in order to make sure a letter is delivered on time. The post office should recognize the need for prompt delivery and see that it is achieved.

It bothers me, Mr. Speaker, that we in this House are always pointing to the worker as being at fault instead of defining the real problem. The system is at fault when mail is delivered in one spot, trucked back to another, sorted, brought back again and still things are lost and people are told they cannot be reimbursed for them. Often when the mail does finally reach a small community, the post office workers have to work overtime because of the extra workload. When it has been transported, brought back by truck, sorted at time and a half rates, put back on a truck and sent to another community, that is clearly a management problem.

I urge members on both sides of the House to co-operate and not talk out the motion so that it can be dealt with.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I am delighted that the hon. member for Kootenay East-Revelstoke (Mr. Parker) introduced this motion because it has finally given me an opportunity to express some of the views stated in letters from my constituents about mail delays. Today I had proposed putting a question on the order paper but this motion gives me an opportunity to put it on the record immediately.

I am not sure if the Postmaster General (Mr. Ouellet) is aware that colour discrimination exists in his department. According to information reaching me from Victoria, the post office there is not giving some letters carrying first-class postage first-class treatment because of the colour of the envelope. Instead, they are getting third-class treatment. This is discrimination on the grounds of colour because the envelope is brown.

May I say facetiously that I suspect the Postmaster General has issued an order insisting that brown envelopes get third-class treatment in order to prevent them reaching members of the opposition so that they can ask questions based on their contents the next day! I am sure that is the reason.

In all seriousness, Mr. Speaker—and I am deadly serious about this—

Mr. Cullen: Why are you smiling, then?

Mr. Munro (Esquimalt-Saanich): —in all seriousness, these brown envelopes could contain pension cheques and there could be delays in getting the cheques to the people to whom they are addressed. That would be most unfortunate, of course. Apparently the problem is the yellow colouring on the machine that does the sorting; it does not show up well on the brown envelope. The scanner does not pick it up and so the envelope slips through and there is a delay, resulting in third-class treatment.

While it was something of a joke to allege discrimination on grounds of colour, I think it would be inappropriate if the post office were to insist that all mail in Canada be sent in white envelopes in order to ensure first-class delivery. That would be utterly stupid.

The member who proposed the motion spoke of trains and planes. It sometimes seems to me that even when we use planes rather than trains to send the mail from one place to another, it still gets sorted and delivered slower. The hon. member mentioned that most of us would have had at least one complaint from our constituents. Mr. Speaker, I have had dozens if not hundreds of letters complaining of poor delivery.

This morning a letter was delivered to my office about which I shall write a complaint. It was from the Bank of Montreal in this city. The window envelope was quite clearly addressed to my office on June 23. Somehow it went to Canadian Forces Base, Ottawa, although for the life of me I cannot understand why. Perhaps because it was in a brown envelope it was discriminated against! The postal code for the House of Commons, K1A A19, was clearly shown.

Mr. Knowles: 0A6.

Mr. Munro (Esquimalt-Saanich): My office is in the Confederation Building, so it is probably 0A7.

Mr. Knowles: It is the same.

Mr. Munro (Esquimalt-Saanich): We have a separate post office over there so we may have a separate code.

Mr. Knowles: No, it is the same.

Mr. Munro (Esquimalt-Saanich): All right, I will take the hon. member's word for it. The letter went to CFB Ottawa, I suppose because those little yellow, luminous things that are put on the envelope were not picked up by the sorter. Then it went to the post office in the House of Commons. It eventually reached me, about nine days later, having come from the main office of the Bank of Montreal at the corner of Wellington and O'Connor Streets. My office is one block away, at the corner of Wellington and Bank Streets, so it did not even have to go by plane or train.

Mr. Blenkarn: Perhaps they used a turtle.

Mr. Munro (Esquimalt-Saanich): That is absolutely unacceptable. We are being adjured, exhorted, asked and urged to

use the postal code to ensure that letters are delivered on time, and now we find that even when it is used they are not being delivered on time.

Other matters relating to the postal service baffle me as well, Mr. Speaker. We are told that it is in good shape. It was in good shape when it was the Royal Mail, but since it ceased to be the Royal Mail it seems to me it is not being handled the way it should be.

● (1720)

Mr. Blenkarn: It is a royal mess.

Mr. Munro (Esquimalt-Saanich): For example, there are fewer and fewer drop boxes, in my riding anyway. I have noticed the disappearance of three or four boxes on the way from my home in Saanich to another part of the area. There was one I used to be able to count on right near a little shop where people could pick up a bunch of bananas, a pint of milk—I am sorry, a litre of milk—or a loaf or a kilo of bread. On the way to the shop there used to be a post box where we could mail our letters. It was half way between the one that was at the little post office nearby and at the corner; I would say they were a mile or a kilometre apart. Now it has disappeared.

If anyone ventures to stand up and explain why there should be fewer post boxes than there were, I think the argument that will be used is because they were being vandalized. I will not deny that some of them have been vandalized. Some have had to be bolted to the earth with deep-seated bolts and probably cement blocks below them, but they still get knocked over. I think this is most unfortunate and it is also unacceptable. But the fact remains there are people, particularly elderly people, who have to walk a good deal farther now than they had to before in order to mail their letters. I do not think there is any reason why they should. I do not know what has happened to those boxes. They have disappeared from some locations that I know.

Then we heard the Postmaster General say that there were to be no reductions in services. Within 24 hours of that statement I heard that in one particular area, in an unorganized district beyond my riding but in an area that I used to represent, the pickup of letters, which used to be at 6.30 in the evening, is now at 6.30 in the morning. When these letters were picked up at 6.30 in the evening they were taken direct to the Victoria post office to be sorted. That was fine; people could mail at any time during the day. No one complained that toward the end of the day the mail would be picked up. Now the pickup is at 6.30 in the morning and the mail is taken presumably to the collector's house and not delivered until the next morning. Mail is kept by him until the next morning, when it is delivered to Victoria for sorting. So already there is a 24-hour delay in the sorting and distribution of these letters. This is a reduction of service to the people in that area. People used to have their mail picked up in the evening and taken into town for sorting and delivery. Now it is picked up at 6.30 in the morning and not delivered to town for sorting and delivery until later the following day. I suggest that that is a reduction in service despite what the Postmaster General has tried to convince us is a continuation of that great service which the post office owes. I suggest that we ought to make it clear that the post office owes that service to the Canadian people.

Some of us can remember the day when we used to put three-cent stamps or four-cent stamps on letters and these letters would be delivered the next day. Now we put 17-cent stamps on a letter and the letter is not delivered until the next week, even in the same city. Sometimes it is even longer than that before a letter is delivered. I cannot speak for rural deliveries although I am sure somebody will. Some of the rural deliveries are absolutely deplorable.

The main thrust of this motion is that facilities be available in new residential areas. I quite agree with the proposer of this motion that it is difficult to explain to people in area B, which is right next to area A, that area A will get house to house delivery while in area B, just across the road, the mail is dumped in a great big green box at the entrance to the development. People whose mail is in those big green boxes have to go out in rain, shine or snow to pick up their mail, yet their neighbours within hailing distance out of the back window, more or less, have door to door delivery. This is not the kind of service to give people who are paying four times as much for stamps as they used to pay. Who knows when the next increase in delivery rates will be.

I made inquiries about this particular operation because it is within my riding. I was told the trouble was that there was only a single entrance to this development. There are all sorts of dead-end streets and having gone in one way you would have to come out the same way. On the other hand, in the other development across the street where the postman goes on foot door to door, he can go in one way and then out at the other end. I find this situation is absolutely impossible.

While the proposer of this motion suggests that it is not the people who are involved in the delivery of the mail who should get the blame, I think a fair amount of the blame should fall on them. Their duty is to deliver the mail. They are being paid to deliver the mail. They are public servants. They should be civil servants. They should be civil and they should serve. That is what they used to be.

Nevertheless, that being said, I do agree that this motion is a most timely one. I am sorry that the Postmaster General is not here but I hope someone will bring some of these complaints to his attention, not only with respect to giving adequate delivery to new residential areas—because people have never had it in the areas of which I speak, that being a little picayune in the use of the words—but also to guarantee that there will be no further cutbacks in service. I suggest that this motion—I am not going to make a formal amendment—could very well have gone further and said that we ought to return to the proper service of pick up and delivery to which this country has been accustomed.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as both previous speakers have mentioned some personal experience with the

post office, I would like to add my own experience with the post office. However, I would like to say that there are people in Canada today who are quick in criticizing the post office but very slow in commending the excellent service that we generally have from the letter carriers. I would like to give them my vote of thanks.

I am pleased to be able to address the two points raised by the hon. member in his motion put down on April 30. We are asked to consider two things: first, the advisability of restoring adequate levels of postal service to new residential communities; second, to guarantee that there will be no further cutbacks in postal service.

The hon. member's first point concerns letter carrier extensions to new residential areas. In the fall of 1975, the post office decided on a freeze on the extension of letter carriers' services across the country. This was part of a general policy of restraint in governmental expenditures which applies to all federal departments. As a result, Canada Post called a halt to extensions of letter carrier service to new subdivisions, thus allowing for existing postal services while observing restraint on spending.

● (1730)

The subdivisions affected by this policy were to be serviced by group letter boxes or through general delivery. However, in the spring of 1979 this policy was amended to allow letter carrier service to 150,000 new points of call. The then postmaster general, now Minister of National Defence (Mr. Lamontagne), announced at the time that this relaxation would require the reallocation of some $50 million and a letter carrier expansion of 800 new person-years including those required for establishing the new routes. These new points of call reflect the growth of the nation: Atlantic region, 9,171; Quebec region, 11,176; Ontario region, 34,902; Western region, 97,587.

The general policy of fiscal restraint was not abandoned. Canada Post was asked during 1979-80 to reduce costs by $50 million and 1,800 person-years. In October of 1979, the Post Office Department made clear to its managers the policy of zero growth. Canada Post had been called upon, as I said, to reduce over-all person-years, and consequently there could be no growth in letter carrier person-years. New letter carriers could be brought into service only if person-years were freed up through greater efficiency. A letter carrier starting policy was to be adhered to. Overstructured routes were to be given first priority, that is, "walks" which are deemed to be too large—equivalent to more than eight hours work. These are to be adjusted. Next, "fill-ins" and "extensions" will be covered. "Fill-ins", I might explain, are deliveries to new houses in the midst of existing letter carrier routes, and "extensions", as the name implies, are continuations of existing letter carrier walks. New letter carrier walks can be established only after the Post Office has used its redeployed person-years for, first, the relief of overstructured walks, and, second, to service fill-ins and extensions.

Thus, Canada Post does not impose a freeze on letter carrier extensions; it has to comply with a policy of person-year restraint which, in effect, results in great difficulty in coping with population expansion in rapid growth areas, especially in the western provinces.

In Calgary, I am told, more than 2,000 new residents arrive each month and expect to receive letter carrier delivery to their homes. The Post Office would have difficulty keeping pace with such unprecedented growth even if it had carte blanche for hiring and expansion. The is the additional problem of worker turnover in Calgary because of the competition by employers for workers. A staff turnover of between 65 per cent and 70 per cent continues to be a major problem at the processing plant. Full-time vacancies in any given week average 15, and most employees have less than one year's experience. The new collective agreement with the Canadian Union of Postal Workers now provides a badly needed competitive wage.

Subject to the restraints I have already outlined, the postal people are coping with Calgary's drastic increase in mail volume through alternative means. Number 10 postal depot, Calgary's busiest, has about 1,000 people dropping in daily to pick up their mail. Things were even busier there a year ago when 2,000 callers were coming in to depot 10. But Canada Post opened another depot, number 15, which provided a closer pick-up point for residents of The Properties area. Also, through efficiency and free-ups, the Post Office has been able to establish two new letter-carrier walks in the depot 15 area since May.

Normal office hours for a depot are from 8 a.m. until 4 p.m. and, if respected, would make it impossible or difficult at best for many customers to pick up their mail. The majority of the residents around depot 10 are young married couples in situations where both partners are working, and for their convenience the staff comes on duty at 6.15 in the morning to open the depot unofficially.

The Postmaster General (Mr. Ouellet) perhaps summarized the situation better than anyone when he appeared last month before the Standing Committee on Miscellaneous Estimates, and I should like to put his words on record here.

> Post Office officials have been put on very severe constraint. On the one hand, the two previous governments, first the Liberal administration and then the Conservative administration, have made an effort to reduce the number of person-years within the Civil Service and have asked specifically for some reductions in the normal growth of the person-years within the Post Office which has indeed created severe difficulties for the Post Office which is a service department and which indeed had to cope with the demand and the growth of our population in Canada. Secondly, this department has also been asked by the two previous administrations, the Conservative one and the Liberal one before that, to curtail their expenditures and try to reduce the important deficits this department is incurring year after year. Under these very difficult situations I am happy to report . . . that the administrators of the Post Office have done a magnificent job in trying to cope with the demand, continue the services where needed and indeed reduce substantially the deficits.

The hon. member for Kootenay East-Revelstoke (Mr. Parker) asked for a guarantee from the government that there would be no further cutbacks in postal service. Mr. Speaker, our national postal service has important social goals and

Canadians are entitled to expect good service, but different situations may require different methods of delivering that service. I, too, remember when we had letter carrier service to our homes on Saturdays. But that ended when Eric Kierans was postmaster general and tried to put the Post Office on a pay-for-itself basis. And prior to 1951, not only did the postman ring twice—he delivered twice a day. It is not realistic to think there will be no future changes, or no changes which the hon. member and, indeed, the general public, would not regard as cutbacks in postal service. But I can assure the hon. member that the present administration is doing everything within its power to avoid cutbacks. The proposal to merge the postal districts of Saskatchewan and Manitoba well illustrates this concern.

● (1740)

A study was made of a proposal to merge the Manitoba and Saskatchewan district offices into one. Its purpose was to reduce substantially person-years within both offices and to lessen expenditures. During April and May questions were asked and motions put forward both by the official opposition and by the hon. member's own colleagues. Finally, on May 26, the Postmaster General announced in the House that he had instructed his officials to make no change. Again, I should like to read from the minutes of the Standing Committee on Miscellaneous Estimates. The Postmaster General, speaking of the proposed merger, had this to say:

> Objections were raised by a number of people in Saskatchewan. The interpretation they gave to this was that it would mean a reduction in Post Office activities in the province. I must say that everything that has been written and said about this has been grossly exaggerated, and obviously it is too bad. This move, which was a genuine one on the part of the regional general manager for the Post Office in western Canada, was not at all meant to reduce or to diminish the service of Canada Post in Saskatchewan; quite the contrary.
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> Because this sound management approach was so badly misinterpreted, I had to say bluntly the other day in the House that this project was cancelled in order to end any misapprehension and misunderstanding about it. Any way we tried to cope with this was obviously very badly misinterpreted, and I did not want the people of Saskatchewan to think the federal government, the government of Ottawa, was again trying to undercut the legitimate aspirations of the people of Saskatchewan. I regret very much some of the interpretation that has been given to what was a sound basic management approach to reductions of our top level representations in western Canada.
>
> I want to conclude by saying that the Saskatchewan district is going to continue. There is no doubt about it; it will continue. We will obviously have to look again at how we can cope with this demand that still exists on Canada Post to reduce person-years and to reduce our expenditures. How we are going to do it is not yet determined, but indeed our constraint on the operation of the Post Office is still there.

Another cutback which has recently been discussed is the question of Saturday closings of post offices. As I said earlier, Saturday home delivery was ended a dozen years ago when Eric Kierans attempted to put the Post Office on a pay-for-itself basis. He saw the movement toward a five-day business week, wanted to give letter carriers the five-day week then common to other Canadian workers, and proposed to save some $13 million in the first year of this cutback. Also proposed was a cutback to five-day service for all post offices. However, this was modified to provide continued Saturday service for those centres not receiving letter carrier delivery.

In those days the Post Office deficit was around $50 million. In 1979 it was $474 million, and thus it should not be surprising that once again Saturday closings have been under study as a means of reversing the trend of mounting deficits. To quote the hon. Postmaster General, again in committee:

> —in most locations, our front-counter services are open to the public on a six days per week basis. This, in fact, requires a complement of staff adequate to cover the six days, and that is done on a shift basis. In an effort to try to cope with the general, broad directives that Canada Post receives from the government... from both previous governments, Conservatives and Liberals—to reduce person-years and to reduce expenditures, some discussions and studies were carried out in order to find ways to reduce these factors, because it means that in smaller centres, the local postmaster must work six days per week. So this idea of closing on Saturday was studied. There is an alternative to it. Basically if we conclude that it would have to be, as it is in most major cities, a five days per week operation, a decision might be taken locally to decide on another day and, possibly, a small post office would not close on a Saturday because, basically, Saturday in these small towns has some significance, and it is important that the post office be open then. So, the alternative discussed presently with the CPAA is the possibility of having these small post offices close on another day of the week. However, we have not yet reached any final conclusion; this is only the subject of discussions and studies by our people and by the representatives of the Canadian Postmasters Association.

In conclusion, I think we should regard the Post Office as an arm of government struggling to maintain an adequate level of service to the Canadian people, yet concerned about keeping costs down. During a decade of double digit international inflation Canada Post saw mail volumes increase by 35 per cent and brought service to the most remote reaches as well as to the rapidly growing urban and suburban areas. It has not been easy, and we should regard the effort as ongoing, and commendable.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, first I would like to commend the hon. member for introducing the motion. This is one of the few opportunities we have to say something in this House about the service we have been getting from a Crown agency called the Post Office. My city of Mississauga has the privilege of having the largest postal warehouse in all of Canada. Indeed, the statement around my riding is that the reason we pay 17 cents is that ten cents is to finance storage at Gateway and 7 cents is for delivery.

People throughout Canada—I am sure this applies in your riding, Mr. Speaker, as it does in the parliamentary secretary's riding—are very disturbed about the inadequate, incompetent and inept service they receive from their Post Office. It bothers me that hard-working individuals who work for our Post Office are afraid to tell their neighbours that they are employees of the Post Office Department because of the reputation of that organization.

Studies have indicated clearly that the management of the Post Office is probably the worst management of any organization, not just of this size but of almost any organization in the whole of the country. It should be impossible for the parliamentary secretary, who just finished speaking, to say, as she did, that things are improving in Calgary or in western Canada, perhaps, and to apologize for the lack of Saturday delivery.

We want delivery, and the fact that post offices are not open on Saturday as they used to be, and the fact that we do not get

delivery twice a day as we used to get, are not the real issue. The issue is that we want delivery, period. Hon. members of this House find that their mail takes seven to ten days to be delivered. They send out householders, as I did in March, only to find that they are delivered in late April. Individual citizens throughout Canada continue to call us and complain about lack of service, delay in service, missing deliveries, and destroyed packages. When we have all these complaints, there is something serious.

My constituency office in Mississauga receives its stationery and other material for distribution through the use of the Post Office. These materials are delivered to my constituency office from Ottawa. Frequently the material is put into a mail bag and delivered to my office in the mail bag. What happens is that a good part of the stationery arrives completely destroyed, to the point that my executive assistant in my constituency office the other day telephoned our local postmaster and said, "I am very pleased to hear that you have a new elephant." He was abashed and asked, "What do you mean a new elephant? We do not have an elephant at all". My executive assistant said, "You must have an elephant; how else could you possibly destroy five boxes of new stationery?" There is something wrong here, and the hon. member's motion allowing this debate in the House today is very appropriate.

Hardly a day goes by when hon. members or their constituency offices do not have to listen to the complaints of constituents concerning the mail, to the point that one just throws up his hands and says, "Well, that is the way it is; something must be done." Business, hon. members of this House and, indeed, government departments here refuse to use the postal service. If they really want something delivered they call upon Air Canada or Purolator, but they do not call on the Post Office because they know that this organization which we support to the extent of well in excess of $400 million a year, over and above postal charges, is not competent to ensure delivery of any article to anywhere from anywhere. That is a pretty disturbing thing.

● (1750)

There has to be a better way, and some better ways are available. Let me say this to members of the Post Office through you, sir, that there is such a thing as an electronic transfer of funds, there is such a thing as transmitting messages by wire, by radio, by cable, and by video. There have been studies done by this government with regard to the transfer of pension cheques, of payroll cheques and all other transmissions which this government does, ranging from family allowances to pension cheques, to the bank accounts of individuals by electronic transfer. That very program would save some 60,000 jobs in the public service. That very program would ensure the delivery of pension cheques. It would ensure that John Brown, who never received his war veterans allowance last week, would have it on June 30 in his bank account where it belongs, and would not have to call his member of Parliament or the pension office to find out what happened to it.

This situation has gone on for long enough. If members working in the Post Office, if management in the Post Office, and if the Postmaster General (Mr. Ouellet) himself cannot get his act together and provide the kind of service that we Canadians used to enjoy and should still enjoy, then other methods of transmitting information by the government transferring funds and by business transferring funds, will have to be employed. There are other methods, which might be somewhat costly, but the way things are going the Post Office should get its act together very quickly or it need not exist in this country.

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, it gives me great pleasure to address myself to the motion of the hon. member with regard to the Post Office. He used the phrases "restoring adequate levels of postal service" and "no further cutbacks in postal service" in a manner which would have us believe that service levels at the Post Office are woefully inadequate. That is an assumption which is not borne out by facts. May I draw your attention, Mr. Speaker, to the meaning of the hon. member's motion. He used the phrase "restoring adequate levels of postal service" as if there had existed in the past a veritable golden age in the mails. This attitude reflects a complete disregard for present day realities. It reflects a mentality which does not examine facts.

The hon. member talks of "restoring adequate levels of postal service". The facts of the matter are that never before in its long and distinguished history has Canada Post provided such a high level of performance and reliability in the mails as it does today. The hon. member says "restore adequate levels of service". I submit that the word "restore" signifies to go back and do over again. To what period in Canadian history would the hon. member have the Post Office return—to the age of the horse when relays of ponies galloped between towns carrying the mail bags? Or perhaps he would have the Post Office go back to the age of steam when the great iron horses first thundered across this great country carrying messages that would link and bind it together?

I am not suggesting that, in its long history of contributing to the social, political, artistic and commercial fabric of the nation, the Post Office was not well served by the horse, train and truck, not at all. The Post Office always has availed itself of the best technology of the day. That is its tradition, a tradition of adapting to change and exploiting new and better ways of doing things.

I sketched this brief history of the mails to put the Post Office in perspective. It is in the best interests of us all that we look at the operation of the mails objectively, without sentiment, and without lamenting the past, as the hon. member has done, or of conceiving extravagant hopes for the future. Unless we bring a balanced perspective in examining the Post Office, we will lose sight of what we can do to improve it and what we cannot do. The fact of the matters is that the Post Office has now entered the satellite and electronic age. It has become modern. We cannot, as the hon. member suggests, "go back and restore".

In the interests of time I should like to refer to an episode with regard to Canada Post to which originally I wanted to refer toward the end of my intervention, and which I do not want to omit. I want to focus on this episode at Canada Post which I believe illustrates clearly its performance and the performance to which Canadians have become accustomed. Only a few weeks ago several thousands of the more than two and one quarter million family allowance cheques which the government sends out monthly did not arrive on the appointed day in a number of communities in Ontario. Immediately there was a public outcry over the delay. Let me hasten to add that the outcry began before the delay was one day old. Such is the Post Office's performance that the public has, over a sustained period of time, come to expect that family allowance cheques arrive on time as a matter of course. I think these high expectations reflect an extremely efficient postal service.

The family allowance episode illustrates another phenomenon about the Post Office, that is, that as we get still better we can expect still more criticism. This might seem like a paradox, but it is not. It is a matter of higher expectations. Shortcomings in the mails which were tolerated patiently in the past as being inevitable, seem unendurable as soon as the idea of solving them crosses people's minds. All the shortcomings then removed call attention to those that remain, and now they appear more galling. The shortcomings, it is true, have been reduced, but sensibility to them has become more acute. A generation ago, before the advent of the jet aeroplane, a one day delay of the cheques in the mail would have passed unnoticed. That is not the case today. We live in an era dominated by electronics and the computer. The public have come to expect the same almost semi-automatic results in the mails that they get from electronic gadgetry and from the computers. This is impossible in such a labour-intensive business as the Post Office. Nevertheles, our Canada Post levels of service compare favourably with any post office in the western world.

I do not lament the past as does the hon. member who would, as I said in my introduction, "restore" the post office. I do not share any such romantic notions about returning to the days of steam and the horse. I am, however, inspired by the recent achievements of Canada Post. These achievements inspire our staff to provide Canadians with a postal service second to none. The Post Office is not restoring, it is advancing. Let me tell you about a few of these advances.

In 1948 intercity mail went to air. That is, all first class mail went air mail. We were one of the first countries in the world to enter the air age totally and completely. Now, of course, all innovations are not without some shortcomings. At times fog over St. John's or a whiteout over Inuvik would prevent the aeroplane carrying the mail from landing, sometimes for a day or two. But is that an argument for going back to the horse and buggy?

In reviewing where the Post Office has been and where it is headed, I would remind the hon. member that we no longer live in a letter writing age. It would be inconceivable for our age to produce a Voltaire whose letters in the Besterman edition come to more than 100 volumes.

• (1800)

[*Translation*]

Mr. Deputy Speaker: The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Pepin that Bill S-6, to amend the Two-Price Wheat Act, be read the second time and referred to the Standing Committee on Agriculture.

[*English*]

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, before five o'clock I mentioned the fact that it has been a long time—as a matter of fact it has been seven years—since the price of wheat could be discussed in the House of Commons. This bill was introduced by the previous Liberal administration and called Bill C-24, once under the legislation of the Progressive Conservative government called Bill C-7, and we have it here in the form of a Senate bill, Bill S-6. It is interesting that it has taken over two years for this bill to come on the floor of the House, to deal with something that is as important to the producers of western Canada as what they receive per bushel for grain.

I should like to answer a few questions in my own mind as to why this bill is here. Is it for the wheat producers of western Canada? Is it for the consumer? I do not think it is for either of those groups. It is to remove the liability of the present Liberal government to the tune of $200 million which it owes the farmers of western Canada and which will legally become due before July 31 of this year. This is a lot of money. We are talking about a drought in western Canada. There was a lot of hullabaloo and a lot of hoopla as to a possible $60 million pay-out to the producers of western Canada, in the cattle business, because of the drought. Here we have a bill by which this government is attempting to remove its legal obligation to the tune of some $200 million, three times what it is purport-

ing to give the cattlemen and wheat producers of western Canada.

When the Two-Price Wheat Act was first introduced in the House in 1974 by Otto Lang, he said the following:

This is a bill whose specific purpose is to enshrine for a period of years, in this case for seven years, a procedure whereby the treasury supplements payments made for wheat designed for human consumption in Canada—

It is in its present form without any doubt and, I should think without any argument, in the nature of a consumer subsidy, an amount paid by the treasury, on behalf of the people of Canada as taxpayers, to lighten the burden on the consumer of the cost of wheat products in Canada.

Those were the comments of Otto Lang when it was introduced for second reading on October 29, 1974.

What happened with the introduction of that bill was that the wheat producers or the farmers of western Canada had the price of their wheat frozen for seven years. It was seven years that this bill was to run. I do not know of any other contract with longshoremen, Post Office workers or any other labour group, which goes for a term of seven years.

An hon. Member: Oil pricing agreements.

Mr. McKnight: They may not run that long if things continue. But what happened with this bill is that the prices the farmers of western Canada were to receive from 1974 onwards were frozen. We felt at that time that it was unjust and we feel at this time that it is unjust, particularly when not carrying through on the commitment of seven years.

● (2010)

In the fall of 1978 the Liberal government of that day decided to terminate the subsidy payment to the producers in western Canada. Instead of a fixed domestic price and a subsidy payment, the regulations of the Canadian Wheat Board were used, setting the price farmers would receive for grain consumed domestically. At that time it was set at a price of $4 per bushel as the floor, and $5 per bushel at the upper end. That was the price in respect of spring wheat. In the case of Durum the regulations set the price at a floor of $4 per bushel up to $7.50. We cannot understand the difference in treatment in respect of Durum and spring wheat; we could not at the time and we can not now.

Without Bill S-6, to advance the termination date of November 30, 1978, instead of the end of July, 1980, which obligated this government to pay the producer what he has been receiving since December 1, 1978, directly from the marketplace, and without this retroactive termination of this bill, the government would in effect owe the farmers of western Canada $200 million.

Let us discuss, as we were doing at the beginning, whether this was a subsidy to the farmers of western Canada or a subsidy to the consumers of Canada. The transfer of income under the two-price wheat program from 1969 to 1978 amounted to $396 million from the taxpayer to the consumer, but from the taxpayer to the producer it amounted to $75 million, from the consumer to the producer it represented $40 million, and from the producer to the consumer it represented an additional $35 million. Just using those numbers, $150 million was received by the producers, but $396 million was received by the consumers of Canada.

In addition, in the first four months of the 1979-80 crop year producers have subsidized the consumers another estimated $22 million. Furthermore, since the summer of 1979 producers have subsidized consumers up to $1 million a week.

This bill as introduced in 1974, and as we are discussing it today, is not subsidy to the farmers of western Canada, it is subsidy to the consumers of Canada. The cost of production is what a farmer is concerned about. If it cost him "x" to produce a bushel of grain and if he could make "x" plus, he considers that a profit, as any businessman would.

This government in 1974 refused to include indexing provisions for the cost of production in this bill. When the legislation was brought in, the price of wheat was around $6 a bushel. Today the price of wheat in Vancouver is $6.73 a bushel. It is strange how things go back. Durum today in Thunder Bay, or I should say at Vancouver, sells for $8.14 a bushel. Right now the farmer in Canada is receiving $5 a bushel for spring wheat consumed in Canada. If he were exporting it he would be exporting it at $6.73 per bushel.

"With levels which are still to this day pretty well close to record, we decided we should look at the proposition as between the Canadian Wheat Board on the one hand, other producers of wheat in Canada, and the consumers of Canada as represented by the buyers, millers and users. We decided we should enter into an arrangement whereby there would be a range of prices for grain; for wheat used for human consumption with a range that reflected more adequately than anything before the cost of production to consumers." That was said by Otto Lang in 1974. There has not been anything done to rectify the provision in this bill which does not recognize that the cost of production is what the farmer is concerned about. If he is going to sell wheat in Canada at a set price, a price set for a seven-year term, surely there should be some provision that, as times changed, he would be compensated for the increase in the cost of production.

The special adviser to the minister of state responsible for the Canadian Wheat Board, the senator in waiting and twice defeated candidate for Assiniboia, at that time said:

—it has been argued that this legislation should reflect specifically costs of production. I think that kind of suggestion is somewhat inappropriate in a discussion on a two-price wheat system for wheat.

I would certainly hope that gentleman has changed his mind today, seven years later. It is very appropriate that the cost of production be considered in any pricing arrangement which ties people to a contract over a period of time as this measure tied the farmers for seven years.

In 1974 the member for Assiniboia at that time said:

—if conditions change drastically, as well they may, between now and 1980, if there is a downturn in the grain market—as grain producers of western Canada realize might happen—the figure provided for in the bill can be changed by this House to keep it in line with real circumstances.

At no time since this bill was passed in 1974 have members of Parliament had the opportunity to discuss the price of wheat

for domestic consumption. Even now there is no consultation between the advisory committee of the Canadian Wheat Board and the government.

I would like briefly to refer to *Senate Debates*, May 29, where the Minister of State for the Canadian Wheat Board (Mr. Argue) said he had made inquiries and had been informed that the advisory committee was not asked in any formal way to pass judgment on or to state its opinion about this policy. That is really not what the advisory committee of the Canadian Wheat Board should be used for. That advisory committee of the Canadian Wheat Board is a duly elected body to represent the producers of western Canada and to advise the Wheat Board as to its feelings on government legislation affecting farmers.

Asked why the government had not considered any steps to go back to at least this crop year or the last half of this crop year in order to supply the farmers of western Canada with an adequate income by removing the $5 ceiling per bushel of wheat consumed domestically, the minister of state said he did not consider that a question the government was then considering, or in fact should be considering, because it would be setting forth policy and would obviously be something of a risk to producers. It certainly would be something of a risk to producers. The minister went on to say that to have a fixed price is a benefit to producers and is also a benefit to consumers. I really do not know how it is a benefit, when we look at history over the last seven years, to the grain producers of western Canada.

I should like to draw the attention of members to the price that will be paid into the Wheat Board's fund at any given time by Canadian millers, which is at the export price for 13½ per cent protein wheat, so that wheat producers can look forward in the next two years to a price for wheat sold to millers for domestic consumption ranging between $5 and $7 a bushel. That has reference to the new price for wheat consumed in Canada. The farmers in western Canada will receive between $5 and $7 a bushel.

Earlier I stated that right now in Vancouver wheat is selling for $6.73 per bushel. We have not reached the end of this crop year and the start of the next crop year, when this agreement is to come into effect, and already we are within 27 cents of being at the limit, so that the consumers will be subsidized once again by the producers of Canada for their consumption of grain.

● (2020)

I mentioned the 13.5 per cent protein level. Something very strange has happened with regard to protein. The elevator companies said that it was too difficult for them to put in place protein testers which would allow them to buy and sell grain at a protein level, that it was very expensive and something which they could not afford. It may be too expensive for the elevator companies, but the producers of western Canada have been asked to supply $1.5 million. They have been asked to supply this money through a check-off of 75 cents a ton, in order that the elevator companies can buy this testing equipment.

At the same time the producers are being asked to pay 75 cents a ton to supply this testing equipment for the elevator companies, there is no provision anywhere in the legislation or in the grading system of the Canadian Grain Commission which says that farmers will be compensated for protein. In the next crop year there is no compensation provided to the farmers of western Canada for additional protein. During the similar debate in 1974 members on the opposition side warned the government that they should include an indexing provision for the cost of production or, as an alternative, that it shorten the seven years for which the farmers would be tied in.

On October 29, 1974, the hon. member for Vegreville (Mr. Mazankowski), said, as it is quoted in *Hansard* at page 865:

> —this bill lacks an effective measure to take into consideration the increased costs of production. Therefore we would recommend to the minister the implementation of such a provision to reflect the rising costs of production over the seven-year period.

It seems strange to those of us in western Canada that there are two products which are sold at below world price levels on the domestic market. Both those products come from western Canada. One of the products is wheat, and it is sold at less than the export price to the consumers in Canada. Of course the other commodity is oil. We in the west find that very strange. I am sure that if most of the people—

Some hon. Members: Oh, oh!

Mr. Whelan: We have oil and wheat in Ontario.

Mr. McKnight: —were to make the comparison, they would find it very strange as well. I hear some members on the government side saying that that is part of what is called Canada. Let us talk about what being a part of Canada has cost the people of western Canada with regard to those two products. For example, since 1973 the province of Alberta has subsidized the consumers of oil in Canada by $17 billion. The province of Saskatchewan has subsidized the people of Canada by $3 billion in oil. That may be part of Canada and part of being a Canadian, but what we in the west do not quite understand is why it must be two products which come from our region of the country that are sold at less than the world price.

This situation is causing some problems and deep thoughts with regard to being a Canadian by many people in my region. I am sure that no member in this House likes to hear that such thinking is carrying on or would want it to continue. The hon. member for Vegreville was aware of the problem which was facing the western farmers. When he was a minister in the previous government of May, 1979, he sought and received cabinet approval to set the price of domestic grain at a floor of $6 per bushel. As a matter of fact, that is $2 above the floor which is presently in effect, and $1 above the floor which will be in effect next crop year.

This proposal was to take effect February 1, 1980. Unfortunately there was an election and the present government has

since refused to accept this proposal or to look at any means of compensating producers in western Canada in this crop year. I do not expect hon. members to take my word, and therefore I would like to quote from the *Western Producer* which was issued on February 28, 1980. The article quotes the commissioner of the Canadian Wheat Board, Mr. Charles Gibbings, who said:

> The federal election campaign and change in government have delayed planned changes to the act, Gibbings said. He said the maximum was to have been changed by February 1 by former wheat board minister Don Mazankowski, but that couldn't be done once the government was defeated and an election called.

I would like to bring to the attention of the House the fact that the announcement of the new domestic price for wheat in the 1980-81 crop year was set by regulation. Members of this House have not had and will not have an opportunity to debate that price. It will be implemented next crop year. The increase of $5 was set as a floor for domestic wheat with a maximum of $7. However, no maximum was set for the producers of Durum wheat. I find it very difficult to understand that, when farmers of Durum wheat make the same number of rounds in a field and require the same equipment to combine Durum wheat as is required for spring wheat. There is no provision in the present two-price system which will be put into effect in 1980-81 to link the cost which the farmers of western Canada receive for their product consumed in Canada to the cost of production.

I would like to speak on the cost of production for a moment. From 1973 to the second quarter of 1979 the cost of total farm input has risen by 80.6 per cent. The index for crop production expenses— seed, fertilizers, pesticides and so on— has increased by 105 per cent. Fertilizer alone has increased by 115 per cent and agricultural chemicals by 168 per cent. Producers are now in jeopardy because this act will cover two years and has no provision to index the cost of production.

I have before me some figures put together by the hon. member for Wetaskiwin (Mr. Schellenberger), and they are very interesting. In the calculations, the hon. member used 1961 as the base year and indexed it at 100. Then he deflated the actual prices for barley, wheat, hogs and cattle back to the year 1930 and inflated them forward to the year 1980. He used the same base of 100 for costs. If we deflate and go backwards, we find that in 1930 a bushel of barley, which was worth 80 cents in 1961, based on 100, would have been worth $1.42 at that time, even though the actual price was only 59 cents.

If we carry that ahead to 1980, we find that the same bushel of barley for which the Wheat Board is now paying $1.71 at the farm gate or $2.57 at Thunder Bay, has an actual value, based on 1961, of only 63 cents. The farmer receives 63 cents a bushel based on those values. In 1979 the actual price for wheat at Thunder Bay was $6.09, and based on a 1961 index of 100, the actual price would be only $1.48. For hogs, the actual price in 1979 was $64.24, and based upon the 1961 index, it would be $21.45. For beef cattle the actual price was $78.38, and on the basis of the 1961 index it would be $28.82. If we index everything else, why do we not consider indexing the costs to producers of grain consumed in Canada? Why do we not look at that? There cannot be anything against it. There can be no reason why they cannot be treated the same as other groups.

• (2030)

This government and the party it represents has just come back from a convention in western Canada, where I am sure a lot of concern was expressed by people in my region, and I am sure it was listened to as well. I hope that party paid attention to the problems of getting the Prince Rupert project under way and the lack of site preparation this year which will probably delay the project until next year. I hope also that attention was paid to the ridiculous statement of the assistant to the minister in the other place, about the initial price for grain. In view of the world price for grain today there is no justification for lowering the initial price by 50 cents per bushel. In a time of high interest rates and increased cost of production this shows a tremendous lack of sensitivity and understanding.

Another matter of concern in the west is the question of rail lines. Whereas we in this party protected 60 per cent of the lines recommended for abandonment by the last Liberal government, there is now some concern that these lines are to be reviewed and that some 7,500 producers in western Canada will be affected. I hope those concerns were expressed to the ministers and the government. We certainly tried to make them aware of the situation.

In Lacadena, in my constituency, the Sakatchewan Wheat Pool has emptied the existing elevator and has plans to build a new one, so people are very concerned about the future of that line. In the town of Coleville the same company has made a commitment to build a new elevator facility and we are concerned about the government's plans for those branch lines.

Every year just before April—although this year it is a little later—a booklet is issued to producers. It is called "1981 Crop Year Guide Initial Payments, Quota Guarantees, Recommended Seeded Acreage". This booklet, which arrived in May, recommended that producers in western Canada should not increase their acreage of wheat but keep it at the existing level. There would be a minimum 10-bushel quota. The producers and businessmen farmers of western Canada can only base their judgment on the information they are given by the Canadian Wheat Board or whoever is responsible for this booklet. I would not want whoever is responsible for this forecast to be looking after my business. At the moment there is the open quota on wheat. It has nothing whatsoever to do with the drought or seed planted in May of this year. It has to do with the grain accumulated last year.

Farmers are inclined to believe this booklet which, by the way, was not issued by the Canadian Wheat Board, which has been accused at times of making mistakes. I should like to know who was responsible for this publication. I stand to be corrected, but I think it is the grains group that issued this information which misled the farmers of western Canada. Rather than growing wheat, they diversified into other crops, with the result that not only do they lose but the country loses

in terms of balance of payments. The Canadian Wheat Board is having trouble with the system of orderly marketing and next year things will be worse because of this misinformation. I am sure the minister is interested in this matter so I should like him to find out who is issuing this information. Where does it come from? He could ask his assistant in the other place about it.

I hope I have explained to some hon. members who really do not understand—and, of course, I do not understand too much about their business either—that the farmers of western Canada are being asked to carry a tremendous burden for the consumers of Canada. I do not think that is fair, and I am sure no member of the House thinks so either. I hope, in light of these numbers, and statements that will be made by my colleagues on this side of the House, that we can change the domestic price for wheat so that it is true reflection of the cost of production that the farmers of western Canada need if they are to continue to be a viable industry.

I see the Minister of Agriculture (Mr. Whelan) is now in his place, Mr. Speaker. I hope he will look into the matter of the $200 million set out in this bill, and we would sacrifice the supposed $60 million in drought payments that may be made some time in the next 18 months, to the cattle producers of Canada.

Some hon. Members: Hear, hear!

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on Bill S-1 which in effect repeals the Two-Price Wheat Act on July 31, 1980, or an earlier date to be fixed by declaration—

Mr. Knowles: Bill S-6.

Mr. Neil: Or, on a retroactive basis, to amend the act, specifically section 3 thereof, which reduces the term of the bill from a period of July 1, 1974 to June 30, 1980, of July 1, 1974, to November 30, 1978 as it relates to the designated area within the Wheat Board.

The two-price wheat system was introduced in 1974 by the then minister in charge of the Canadian Wheat Board, the Hon. Otto Lang. In the debate on the bill on October 29, 1974, the minister said, as reported at page 863 of *Hansard*:

> This is a bill whose specific purpose is to enshrine for a period of years, in this case for seven years, a procedure whereby the treasury supplements payments made for wheat designed for human consumption in Canada.

And further down the same page there appears this statement:

> It is in its present form without any doubt and, I should think without any argument, in the nature of a consumer subsidy, an amount paid by the treasury, on behalf of the people of Canada as taxpayers, to lighten the burden on the consumer of the cost of wheat products in Canada.

I should like to emphasize the words "seven years" and the words "the nature of a consumer subsidy". In effect, the bill placed a ceiling price on Red Spring wheat of $5 per bushel for domestic consumption, and at the same time it fixed the floor price for the same wheat at $3.25 per bushel. In the case of Durum wheat the ceiling price was $7.50 per bushel and the floor price was $5.75. In other words, the millers and consumers of domestic grain were able to purchase Red Spring wheat and Durum wheat at the floor price, and the treasury—which in effect is the taxpayers of Canada—paid to the Canadian Wheat Board on behalf of the consumer, a subsidy which was the difference between the floor price and the world wheat price, up to a maximum of $1.75 per bushel.

I should like to make it perfectly clear to members of the House that the $1.75 per bushel was not a subsidy to the grain producer because he was asked, indeed, forced to sell on the domestic market at less than he could sell at on the world market. He was simply paid the difference by the treasury up to a maximum of $1.75. If the price of wheat on the world market went above the ceiling prices of $5 in the case of Red Spring and $7.50 in the case of Durum, and it did so on several occasions, the producer of the grain was then subsidizing the consumers of Canada for the difference between the ceiling price and the actual world market price.

● (2040)

Up to the end of 1978 this producer subsidy amounted to some $35 million. If you examine the records, you will find for the first four months of the 1979-80 crop year the wheat producers' subsidy to the consumers of Canada was some $22 million. Since January 1 the subsidy by the western grain producers to the consumers in Canada has been approximately $1 million per week.

We have only two products in Canada which come under a two-price system and both of these products come from western Canada. They are wheat and oil. There is nothing moving into western Canada, either from central Canada or other parts of Canada, at less than the market price. Over the years, western Canadians have subsidized the consumers of oil to the tune of approximately $20 billion. In the case of wheat, the western grain producers have subsidized the consumers of Canada in the last six or seven years to the tune of about $80 million. Is there any wonder that there is a feeling of alienation in the west and a strong feeling of separatism? This feeling is not just on the part of fringe groups or radicals. As I travel through my constituency I find that many responsible and respected people raise this issue with me. They mention that perhaps westerners would be better off if they went it alone. So it can be seen that the seeds of separatism have been sown and they cannot be ignored.

I said earlier in quoting the Hon. Otto Lang, the minister in charge of the Canadian Wheat Board when he submitted this bill for second reading, that the bill was for a period of seven years. The New Democratic Party supported the government in this regard. At that time this party, the official opposition, submitted an amendment to have the bill run only until 1977 rather than 1980. It was the Hon. Jack Horner, who was then on this side of the House, who submitted that amendment. I would like to read one paragraph of what he said when he submitted the amendment. This is recorded at page 5538 of the May 6, 1975, edition of *Hansard*, as follows:

This bill locks the wheat producer into a seven-year agreement. I cannot overemphasize that. Everyone in this House has witnessed several labour negotiations. I can recite the railway negotiations, the longshoremen on the west coast, grain handlers and longshoremen on the St. Lawrence, and so on. None of them relate to a seven-year contract.

He concluded by saying:

What has this Parliament got against wheat producers? Why lock them into a fixed price for their commodity?

As I said, he proposed an amendment to reduce the term by three years. And, as I said, the New Democratic Party were quick to point out that it was kind of nice to lock the farmers in for seven years, but they find now that the government, for some reason or another, did decide to terminate the subsidy in 1978. The seven-year period under the bill would run out July 31, 1980.

The problem is that the grain producers of western Canada under that bill carried out their part of the bargain. It was the government in the fall of 1978 which decided to terminate the subsidy payment to the consumers. As of November 30, 1978, the government ceased to make any further payments under the bill. The government did not come to Parliament and tell members that things were tough; that the government was going on an austerity program; that the two-price system was costing about $100 million a year and that the treasury just could not afford it. The government did not suggest that we review the program to see what we could do about it. Alternatively, the government could easily have complied with subsection 3 of section 5 of the Two-Price Wheat Act which reads as follows:

The minister shall, on an annual basis and in consultation with the producers, review the provisions of this act and all related regulations enacted by the governor in council with a view to making such recommendations to the governor in council as are appropriate in the light of prevailing costs of production of wheat and returns to producers.

The government did neither of these things. In the arrogant and high-handed manner which has characterized the Liberal government for so many years, it arbitrarily discontinued paying the subsidy. It broke the law in the same manner as you and I might break the law if we refused to pay our income tax, or if the wheat producers in western Canada delivered grain to other than the Canadian Wheat Board. If we had done that, we would have been punished; the producer would have been punished. He would have been fined, and possibly he would have been sent to jail.

But what does the government do? The government says that it is above the law. It says that about $200 million is owed and we are legally bound to pay it. We could be sued, but really there is no problem. We will simply pass a bill with retroactive effect which says that, despite the fact the two-price system was to be in effect for a period of seven years until 1980, the program came to an end on November 30, 1978, the day when the government decided that it would no longer make any payments under the act.

This is what the bill is all about, Mr. Speaker. We are asked to pass on a bill which, under section 3, says:

This act shall be deemed to have come into force on December 1, 1978.

We are here tonight debating a bill submitted by the government which it says is "deemed to have come into force on December 1, 1978." This is some one and a half years ago. We are being asked to make legal the illegal acts of this Liberal government and to wipe the record clean, in other words give it an unconditional discharge.

● (2050)

But, Mr. Speaker, though we are repealing the bill tonight this is not an end of the two-price system, as my hon. friend from Kindersley-Lloydminster said. The two-price system has simply been taken out of the hands of Parliament and placed into the hands of the Canadian Wheat Board which can fix the price by regulation—as a matter of fact, they have done so. On May 26 of this year Senator Hazen Argue, the Minister of State for the Canadian Wheat Board, announced the terms of Canada's new two-price system for wheat. He said this:

The new minimum and maximum prices for Canadian wheat sold for domestic human consumption will be five dollars and seven dollars per bushel, basis No. 1 Canada Red Spring at Thunder Bay.

He said further:

Effective August 1 the new Durum floor price for domestic consumption will be five dollars per bushel.

Mr. Speaker, it is my understanding that this new pricing by the Canadian Wheat Board was arbitrary and was made without consultation and without discussion with the Canadian Wheat Board Advisory Committee. It is interesting to see that these increases in prices are effective as of August 1, because in the meantime the western grain producer is losing approximately $1 million per week. This is cash out of the producers' pockets and it is a direct subsidy to the consumers of Canada. It is also interesting to note that when the hon. member for Vegreville (Mr. Mazankowski) was minister of transport and the minister in charge of the Canadian Wheat Board he had arranged with cabinet and Treasury Board to increase the price for domestic wheat for human consumption which would have put one million dollars more per week into the hands of the western grain producers. The present government was not prepared to carry out that commitment but has been prepared to say, "Let the western grain producer subsidize the consumers of Canada to the tune of a million dollars per week until August 1."

During the debate on the bill, back in 1974, the member for Vegreville, as he then was, made this comment, as reported at page 865 of *Hansard* of October 29, 1974:

This bill lacks an effective measure to take into consideration the increased costs of production. Therefore we would recommend to the minister the implementation of such a provision to reflect the rising costs of production over the seven-year period.

From 1973 to 1979, including the second quarter, the costs of total farm inputs had increased by some 80.6 per cent. The index of crop production expenses, taking into consideration such items as seed and fertilizer and pesticides, had increased by some 105.5 per cent. The cost of agricultural chemicals alone had increased by 168 per cent. Mr. Speaker, had there been a mechanism in the bill to deal with increased costs of production, and had there been an annual review as provided

for in subsection 3 of section 5 of the act, the government would never had found itself in the position it is today, namely, presenting a bill to legalize its illegal acts.

Then again, this government has always shown and still shows a callous disregard for the west and, in particular, for the western grain producer. One has only to look back over the past few months and consider the uncertainty which has surrounded the port of Prince Rupert; one has only to look at the statements by the Minister of Transport (Mr. Pepin) who has cast doubt on the future of a number of railway branch lines which had been placed in the basic network by the party on this side of the House when it was in power.

Mr. Pepin: The hon. member is simply repeating the previous speech.

Mr. Neil: The Liberals recently held a convention in Winnipeg which was supposedly to buoy up their strength in western Canada. Mr. Speaker, it would take more than a convention in Winnipeg to buoy up the strength of the Liberal party in western Canada. It will require an understanding of the hopes and aspirations of the west, an understanding which few if any of those sitting on the benches opposite possess. I do not expect to see that understanding and that enlightenment coming about in my lifetime.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I too wish to participate for a while in this debate. Agriculture is important. Wheat is very important, one of the most important commodities produced in this country, if not the most important one. The bill before us this evening will extend the two-price system for wheat in this country. What a two-price system means is one price for the wheat we consume as human beings domestically in our country, and another price for wheat sold internationally. We have had that kind of system for our grain since 1973. Under the old act, as hon. members have already said tonight, it was to go on for seven years, until 1980. So we are really debating a very interesting piece of legislation.

First of all we are debating a piece of legislation which originated in the Senate. I want to just say a word here. I believe the bill should be rewritten in this place, in the House of Commons where members are elected democratically, where members are responsible to their constituents on a democratic basis, not in the Senate, a place to which people are appointed.

The bill before us today is really going to legalize the ending of a subsidy on November 30, 1978, for bread for consumers in our country. The subsidy was brought to an end by an order in council, by cabinet. The minister in charge of the Wheat Board was not there then, but the Minister of Agriculture (Mr. Whelan) was, back in 1978, and they dropped the subsidy which was worth several million dollars a year to ordinary Canadians from coast to coast. They dropped it without consultation in Parliament, without consulting those affected, low-income groups and others, and we are really being asked tonight to legalize the action of the government back in November, 1978.

The other thing about the bill is that it increases the floor price to farmers for grain for domestic consumption. I obviously agree with that aspect. But let us take a look at why this issue is so important to us. First, as I mentioned, wheat is very important to the prairies and to the country. It is the most important commodity we have. Indeed, we are a tremendously large exporter of wheat, second in the world in terms of exports. It is worth a lot of money in terms of foreign exchange, our trade, jobs, and employing farmers on the prairies. There is not much we as a nation can do about grain we sell internationally, but there is something we can do about grain that is sold domestically.

● (2100)

What this bill does is increase the floor from $3.25 to $5 a bushel, but it puts a ceiling of $7 a bushel in the place of a ceiling of $5 a bushel, and I am somewhat concerned about that ceiling. As one hon. member said today, wheat now at Vancouver is selling for $6.73 a bushel. That is already very close indeed to the ceiling. If the price of wheat keeps going up the rate it has been going up for the last year or so, it will break through the ceiling very shortly, and we will have farmers again subsidizing consumers for bread and grain we, as human beings, use. So what I suggest to the government and to the minister in charge of the Wheat Board, the Minister of Transport (Mr. Pepin), is that he consider changing the formula of the two-price wheat system and instead base it on the cost of production so that, if the cost of production goes up, the farmer will receive an increase in the price of wheat sold in this country. If the cost of production goes down, which is unlikely, then the price would go down.

I have here a brief from the Canadian Federation of Agriculture written a few weeks ago in which the federation suggested this type of system. Based on that system the price would be $5.40 for a bushel of grain, and each year there would be an annual adjustment based on a Statistics Canada report, namely, the farm input price index. The price index went up by 11 per cent last year, and therefore the price should be adjusted by an upward push of some 11 per cent. The principal suggestion I want to make to the government tonight is that the government consider changing the two-price wheat system and base it on a cost of production formula. If we did that, the farmer would not be subsidizing the consumer.

Up until 1978 the farmer subsidized the consumer by $35 million. I think it was the hon. member for Moose Jaw (Mr. Neil) who said that in 1979 the subsidy was $22 million, and now it is an extra $1 million a week. I think that is very unfair. We should not have one sector of society subsidizing the whole society, particularly when that sector is barely getting a price which meets its cost of production, let alone providing a decent salary for grain producers.

If we look at the cost input for grain, any study which has been undertaken shows that the farmer is barely breaking even. The price of grain is not excessively high. It has not been

set by some oil sheik in Saudi Arabia or Kuwait. The price of grain is not excessively high. Therefore for the grain we sell in our own country and for our own use, the farmer should not be subsidizing the consumer, and this is one way of getting around it.

The other thing I wanted to say is that I think the government should be putting a great deal of time and effort into trying to reach an international grains agreement or an international commodity agreement based on the same philosophy we use for the two-price wheat system. There should be a minimum price so that the producer is getting back the cost of production plus a decent salary, and a maximum price so that the consumer on the other side is not being shafted. I think that should be the objective for all commodities in the world. I think people in the world should get together and hammer out an agreement. They should take into consideration the cost of production and salaries for producers, whether they be producers of grain, copper, bananas, tobacco or whatever commodities.

A minimum-maximum price should be set, and there should be a sliding scale where there is a cost of production formula built in. Perhaps that is an ideal. Perhaps I am being an idealist by suggesting something like that, but I think Canada is a nation which is immensely respected in the world, and it could lead the way in trying to persuade other peoples to try to have international commodity agreements worked out between consumers and producers. There is a big difference between this and OPEC. OPEC is an organization strictly of producers. It is an organization of petroleum exporters, and it has set up a cartel. The producers, and the producers only, determine what the price to consumers should be. I am arguing tonight that consumers and producers should get together to determine a fair price for consumers and producers. There should be harmony in the marketplace. Then, for goodness sake, let us take these commodities out of the hands of international speculators. Let us take them from the futures market, where prices bob up and down like yo-yos or dice at a casino.

All we have to do is look at the price of sugar today. The price has gone up 200 per cent or 300 per cent in the last few months, and most of the reason for that is speculation. People like to play the futures market and make a few bucks. They buy sugar stocks. There has been a cutback in the supply of sugar in the world. There have been crop failures. There is not a real shortage; it is just that supplies are being restricted a bit. There is still enough in storage to supply the world market, but because of a cutback in supply and because of weather, the commodity market has gone a little wild. Speculators have been driving up the price. Who is going to pay? The ordinary consumers who have to go out and buy the commodity. We should have as an objective taking these commodities off the futures market and off the stock market and putting the control of prices into the hands of peoples so that we have an international agreement based on the real factors and not on something which is very artificial.

Mr. Pepin: How about the productivity of the land as a factor?

Mr. Nystrom: I cannot hear the minister, but perhaps in his remarks later on he can respond to some of these suggestions which are being made. Since from time to time he likes to think of himself as a progressive liberal I am sure that he will be moving in this direction.

The other thing which I think is important to look at is the fact that when the price of wheat goes up, the price of bread always goes up faster. The wheat component of a loaf of bread is only 11 per cent. The wheat component accounts for only 11.5 cents of a 24-ounce loaf of bread. However, under this act when the wheat component went up by some 1.25 cents per loaf and the price of a loaf was raised by three cents by some companies and two cents by others, the federal government had no way of stopping that. The federal government has not set up a fair prices commission which could go to a company telling it that the cost of its raw material has not gone up by any more than 1.25 cents per loaf yet the price of bread has gone up by two cents or three cents a loaf, and the company involved could be forced to roll back the price. I think that is something we should be doing.

The other thing is that the subsidy which was dropped by the government in 1978 should not have been dropped at all. I was saying earlier this evening that I think it is wrong for farmers to subsidize consumers for the price of their commodity when they are barely breaking even. At the same time I want to make it very clear that I think we should have a food policy so that some of the basic foods such as bread and milk are subsidized for ordinary people. We used to have a bread subsidy and a milk subsidy. When we look at the health standards of Canadians, we find that many people are undernourished. Perhaps they are overfed, but they are undernourished, and many people are not receiving enough of the basic foods. I think the government should be spending a few tens of millions of dollars every year subsidizing basic foods such as whole wheat bread and milk. I think we would be saving a lot of money when it comes to bills for medicare and hospitalization on the other side.

I think it was the Food Prices Review Board which said a number of years ago that about 40 per cent of our hospital days are tied in some way to the diets of Canadians. If we could save just a miniscule percentage of that through better nutrition and a food policy, we would indeed be making a real contribution to Canadian health and to our economy.

When I talk about the fact that the farmer should not be subsidizing the consumer, I am not saying that the consumer should be paying a higher price for some of these basic nutritious foods which are the basics of life. What I am saying is that our society as a whole should be making a commitment to make sure that the young people and all of the people of this country have basic and decent diets.

One could give many statistics about deficiencies amongst the Canadian people. One that struck me was that 70 per cent of old age pensioners in Canada suffer from calcium deficiency, when we have a capacity in this country to produce so much milk.

● (2110)

Another point I want to make before concluding is that the government, by doing what it has done with the two-price system, by establishing such a low ceiling, by making sure that farmers have to subsidize consumers over the years, is increasingly encouraging a feeling of hostility on the prairies toward the central government, toward the federal government of this land. Many Liberals wonder why they have not done better in the west. This is one of the many reasons why their party has not done better. There is a real feeling that the federal government does not understand us, and if it does understand us, that it does not really care about giving us a fair deal. If it is not just the two-price system on wheat, it is the lack of adequate assistance on the drought. A farmer told me the other day, "The federal government is giving us $60 million, but they gave Chrysler, one company, some $200 million". We are not complaining about aid to Chrysler, but there should be more equity and fairness.

There is the boycott of grain to the Soviet Union. Who is that going to hurt? I should like to refer the Minister of Transport to what is happening in the United States. Even Ronald Reagan said, "If you elect me president, we will terminate the boycott of grain to the Soviet Union". One reason he would do it, and one reason we should terminate this boycott, is that the boycott is not working. *Time* magazine said three or four weeks ago that the Americans are shipping as much grain now through the back door to the Soviet Union as they shipped through the front door in the last few years, that big companies like Cargill and Continental Grain are using third countries to transship grain on the way to the Soviet Union. They are finding other ways of getting their grain to Soviet Russia.

The only people who are suffering, in my opinion, are the farmers of Canada because of the fact that the grain companies are shipping their grain, because of the fact that the Soviet Union is going to other countries which ship grain to them and increasing their orders, countries such as Argentina. Therefore the farmers are suffering and the grain boycott is not having any effect on the situation in Afghanistan or on Mr. Brezhnev in the Soviet Union. If it is having any impact at all, it is creating some shortage of cattle and livestock in the Soviet Union, and if it is having any effect, the effect is on the poor people, not on leaders, and, of course, on the Canadian farmers.

I appeal to the government tonight to think about grain farmers, to terminate the boycott and start the shipping of grain to the Soviet Union because, if we do not, other people will do it.

These are some of the issues about which I am concerned in the bill before us today. A number of suggestions have already been made to the House by members of the Conservative party, and one does not have to repeat them. I just want to say in closing that I hope the government will change its policy when it comes to the two-price wheat system, that it will base the price of domestic grain for human consumption, grain we buy to feed ourselves—I want to say to the House that it is the minority of the grain we produce—on a cost of production formula so that the farmers will be paid for the minority of their grain according to the cost of producing it. In other words, it will be a cost of production index such as there is on MPs' salaries, in the cost of living increase, in the salaries of many unionized workers, and in the price of most commodities we buy where the wholesale and retail prices go up. Let us do the same for the farmers as we are doing for the other people in this country. If we do that, the farmers of this country will be much happier and much more productive, and they will produce an even greater amount of food for the people of Canada and for the people of an increasingly hungry world.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am pleased to see that the Minister of Transport (Mr. Pepin) responsible for the Wheat Board is in the House during this debate. He has been in the House on several other occasions when this debate went forward, and it is an extremely important debate, as I am sure he will agree. Yet he has remained strangely silent throughout the debate up to the present moment. No doubt he is absorbing and listening to all the advice that has been given during the course of discussion and is becoming increasingly aware of the fact that the grain farmers on the prairies are in a critical situation. We hope that one of these days he will rise to his feet with some positive answers to many of the worth-while suggestions that have been made during the course of the debate.

Not only has the minister been listening carefully to the debate but he made a pilgrimage to Manitoba this week. We had an invasion in Manitoba over the weekend, and I had the opportunity of travelling west on the plane on Friday morning and meeting some of my colleagues from the government side of the House and pointing out to them that it was bad enough that we had drought on the prairies but now we were suffering from an invasion of locusts. Locusts devour everything before them as they go. I say that as a preliminary to a few comments I wish to make on this important subject, and I hope that in the words which I shall speak here tonight I will be able to convey to the responsible minister and to the government the growing urgency of the cost-price squeeze suffered by the grain producers on the prairies.

Unfortunately, this is not the first time that the Liberal government has taken the attitude which is represented in the bill which was first put forward in 1974, and again is being put forward in the legislation before the House. As a matter of fact I am here as a member of Parliament because of the same attitude of the Liberal government—and we have had many Liberal governments down through the years—toward the pricing position of prairie producers way back in the 1940s and 1950s.

During the war years the prairie producers, as an act of patriotism, agreed to a price under the British wheat agreement which would subsidize the consumers, the people of the United Kingdom who were largely bearing the brunt of World War II and enduring most of the suffering. The prairie farmers, who have always been outstanding Canadians, have always produced food for the world market at a price which,

most times, was lower than the cost of production. They agreed to a special pricing under the British wheat agreement, never anticipating that, following the war, they would have to bear the full brunt of this subsidization.

I remember fighting my first election on the strength of the British wheat agreement and the failure of the then Liberal government to come forward with any substantial part of the subsidy, the whole burden of which had been borne by the producers in that far off period. My opponent was mooted to become the minister of agriculture replacing the then well-known Hon. James G. Gardiner. I am referring to the Hon. Grant MacEwan who went on to fame and fortune in other vineyards, mostly in the province of Alberta. I can remember Mr. MacEwan who was then the dean of agriculture for the University of Manitoba promising that there would be a substantial contribution by the then Liberal government to subsidize prairie farmers who, over a long period of time, had sold their product at reduced prices. So, what we are seeing among latter day Liberals is a repetition of the same attitude toward prairie producers. Obviously they have forgotten nothing and learned nothing since that time.

● (2120)

The last election was precipitated unceremoniously, the second election in less than six months. Instead of allowing the new Conservative government to get on with the business of the nation which it was doing in quite progressive terms, the Liberal party was surprised when it was practically wiped out on the prairies. I submit it was inevitable this should happen because of its long continuing attitude which showed a complete lack of sensitivity and a complete unawareness of the longstanding problems of prairie grain producers. As far as I can see, at the conference in Winnipeg last weekend there was really no attempt to come to grips with these problems which have reduced the Liberal party to the unfortunate position where it speaks for only one part of Canada and is almost without a voice in the four western provinces.

I hear the minister muttering from his front bench, and he is smiling. I hope he will rise to his feet and in firm tones tell us that the Liberal party has had a change of heart and that by listening to the words of wisdom on this side of the House, and particularly in communing with the grass roots in Winnipeg last weekend, it now realizes that there are fundamental changes which must be made on the part of the government in its attitude toward western Canada.

I do not want to be repetitive in this debate, but I want to point out that even the former minister, the Hon. Otto Lang, was aware of what he was doing when he carried this legislation through the House in 1974. I have the quotation before me which indicates that he said it was a subsidy for consumers and that it had nothing to do with subsidizing the producers. I shall deal with this in a moment, but quite firm promises were made by the then minister to overcome some of the criticisms made at that time during a rather lengthy debate. Instead of coming up with answers, the Liberal government in 1978 unceremoniously cancelled the subsidy. It did not stick to its basic agreement which indicated that the subsidy would carry through until the end of the current crop year.

As my colleagues on this side of the House have said, this legislation is trying to legalize the termination date. November 30, 1978, was the date when the subsidy was cancelled, rather than allowing it to continue to the end of July, 1980, which was in the original program provided by the 1974 legislation. This act will not be proclaimed until the commencement of the new crop year on August 1. It means that prairie grain farmers will have to write off one whole crop year at a time of growing financial strain.

I want to point out a few suggestions whereby the minister responsible for the Wheat Board can make changes in the legislation which hopefully will do away with or deal with some of the criticisms which have been made on this side of the House. Of course the basic criticism is that it does nothing to deal with the rising costs to producers. Perhaps I should put on the record just how astronomically these costs have risen since 1973. The cost of total farm inputs or the cost of production to farmers has increased to the extent of 80.6 per cent from 1973 to the second quarter of 1979. Yet the government removed the subsidy, froze the price over a seven-year period, and totally ignored the impossible financial straitjacket into which farmers were being put by this astronomical inflation increase which derived mostly from the irresponsible economic and financial policies of the last Liberal government.

I should like to refer to the index of crop production expenses which includes seed, fertilizers and pesticides. The cost of those necessary ingredients in production have gone up by 105.5 per cent. The cost of fertilizer alone has gone up by 115 per cent. I should note there that the farmers have been leaving the land in droves because of the impossible financial position in which they find themselves. Survivors would never have been able to keep up with the increasing demand for grain and grain products had it not been for the increasing use of fertilizers on vast prairie grain areas. Their price has increased by 115 per cent. Agricultural chemicals have gone up by 168 per cent. So, I am sure one can understand from those few statistics why 10,000 farmers a year have left the agricultural industry on the prairies. Now the situation has reached the crisis point because of the problem of drought, the rising costs of capital, and the failure of the government to deal with transportation of the increased production of crops over recent years.

Let me refer to some meetings I held recently with my own producers. The Brandon-Souris constituency is one of the richest agricultural grain producing areas of western Canada. In fact the city of Brandon is still known as the "Wheat City" of the west. I have had meetings with farmers who, I thought, would be in a very strong financial position. These meetings have been attended by farmers and their families, many of whom go into second and third generation farm people, and they have sounded a note of panic, suggesting that not only will they be leaving the agricultural industry, but that they will be leaving because of impending bankruptcy. The reason for the impending bankruptcy I think should be obvious after the

statistics I have quoted. One cannot continue to sell a product at well below the cost of production, and hope to survive.

● (2130)

The statistics I just presented to the House will, I am sure, demonstrate that this has been a losing game and has now become critical because these farmers who have survived by reason of hard work, by extending their holdings in order to become more productive, by fertilizing, using insecticides, mechanizing, with all the other ingredients that go into the production of grain today, are now facing the prospect of very little production this year. The present estimate is that they will receive about 50 per cent or less than the normal level, with no income to survive the economic crunch in which they find themselves. This is now an emergency situation.

The Minister of Agriculture (Mr. Whelan) was in the House earlier. He travelled all the way to Yorkton the other day to announce there was a drought emergency. He was addressing mainly members of the cattle industry, and he announced policies to convince the dairy farmer and cattle producer not to destroy their basic herds in order to keep their heads above the overwhelming economic waters. These policies do nothing to solve the problem of the grain producer. The grain producer is the individual caught in the cost-price squeeze, and the one in some cases, particularly in my constituency and in other areas of western Canada, Manitoba and Saskatchewan, who is faced with crop failure. The Minister of Agriculture realized there must be an infusion of cash to the tune of $60 million.

On the other hand the Minister of Transport in this case is depriving grain producers of $200 million which would have been made available under the subsidy had it not been arbitrarily cancelled on November 30, 1978.

Mr. Pepin: Your party introduced the same bill.

Mr. Dinsdale: The minister suggests that our party introduced the same bill. The minister of transport in our government, who was responsible for the Wheat Board and really took his responsibilities seriously, had already persuaded the cabinet to increase the subsidy by $1 to $6. That was action in that direction which was aborted when the Liberal party irresponsibly precipitated an unnecessary election last December.

Some hon. Members: Oh, oh!

Mr. Dinsdale: I hear complaints from the other side. I saw no reason for the election. As a westerner I think I can point out clearly tonight that westerners from Manitoba, Saskatchewan, Alberta, British Columbia, the Yukon and the Northwest Territories saw no reason for it. The party opposite received no support at all from that area. It was an unnecessary election because, for the first time, we were getting action in respect of western problems which had been totally neglected by a government whose basic support came and comes from the provinces of Ontario and Quebec.

My friends in the NDP suggest we lost ten seats in the west. That is true. If we must get into this subject, this was because the party alignment in western Canada is Conservative versus NDP. I admit that. The point I am making is that the election was unnecessary, and that is supported by the fact there was no support at all from western Canada for what the Liberal party was trying to do, and I am sure that is why that party made the pilgrimage to Winnipeg last weekend.

Let me give some examples of broken promises. The Hon. Otto Lang said, when we were debating the bill on October 29, 1974, speaking on the consumer subsidies:

> We should enter into an agreement whereby there would be a range of prices for grain for wheat used for human consumption, a range which reflected more adequately than anything before the cost of production to producers.

That is from page 864 of *Hansard* for October 29, 1974. That was a promise by the then minister that prices would reflect the actual costs of production.

The special adviser, as he is now, to the Minister of State for the Canadian Wheat Board (Mr. Argue), Hon. Ralph Goodale, a former member for the province of Saskatchewan, said that if conditions change drastically, as well they may, and they certainly have—

Mr. Knowles: And changed with him too.

Mr. Dinsdale: And changed for him too. He said if things changed between then and 1980, and not 1978, and if there was a downturn in the grain market, as grain producers in western Canada realized could happen, the figures provided for in the bill could be changed by this House to keep things in line with real circumstances. He said that on October 30, 1974. Since then there has been no debate in the House. Those who have been here over the years know there has been no debate on this subject. The minister whispered across the House that this is the same as the bill we introduced, but we were not given an opportunity to introduce the bill or debate it. Nor was the then minister responsible for the Wheat Board able to bring forward the $1 increase in the subsidy. There has never been any consultation, as Mr. Goodale said there would be. The advisory committee of the Canadian Wheat Board has never been consulted on the situation. That committee was set up for that purpose but there has been no consultation taking place.

Perhaps I should refer to another quotation from Mr. Goodale because of his important position as an adviser to the minister in the other place. He said:

> The minister shall, on an annual basis and in consultation with the producers, review the provisions of this act and all related regulations enacted by the governor in council with a view to making such recommendations to the governor in council as are appropriate in the light of prevailing costs of production of wheat and returns to producers.

Of course that is another total failure to live up to promises and expectations generated among farmers as a result.

● (2140)

To bring my remarks to a conclusion—and I hope that the minister will speak, perhaps tonight if he has reached the point

of decision as he has listened to the debate—let me say that I hope that he will introduce some flexibility into the legislation. It is not fair to freeze farm prices for a period of seven years. When agreements are made with labour unions they sometimes last only one year. This happened with the Canadian Union of Postal Workers recently, which received a fairly generous agreement compared to what the legislation before us is providing to the basic grain producers of Canada, who produce a product which is urgently needed. As I have already indicated, these farmers are facing a crisis which is not of their own making, and because of the problem of drought many of our best producers will go out of business.

There should be continuing negotiation for a world price on wheat. It has been said before, but it bears repetition: there was a time when the price of a bushel of wheat as it was related to a barrel of oil cost about $2.50. We all know how the price of a barrel of oil has gone up to $30 plus. Yet the price of a bushel of wheat is not much above $6.

Both of these resources are basic to the Canadian economy and to the world economy. It is the western producers who are feeling the brunt in this country. I look directly at the minister and I say that that is why his party has no support in western Canada, because they do not even grasp the problem. That is why I hope he will make a statement before we proceed much further in this debate. The farmers cannot continue to sell their grain below the cost of production. There must be some adjustment for the inflation which has eroded the value of the dollar since 1973 by more than 50 per cent.

We must stop the exodus of the basic producer away from the land, which is occurring at a rate of 10,000 per year. I am sure that the exodus will increase by much more than that figure because of the impending bankruptcies due to the high cost of credit and capital, as farmers try to expand their holdings and their producing capacity. I trust that both the Minister of Agriculture, who has made some initial attempts, and the Minister of Transport, who is responsible for the Wheat Board, will either withdraw this act and pay the $200 million which is owed to the western grain producers, or bring in a revised act which does not freeze prices unrealistically for seven years, which is flexible and meets the costs of production and which will protect our grain producers in a drastic time of economic crisis.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise to speak on Bill S-6, an act to amend the Two-Price Wheat Act. I would like to speak from the point of view of Canadian consumers. In so doing I must say that I am very proud to be joining the protest which was first raised in 1978 by many consumers and senior citizens groups across Canada, groups who were very concerned because the Liberal government of the day was removing subsidies on bread and pasta.

In these earlier protests it was predicted the price of bread would soar, and it has. The price of pasta has increased by 25 per cent. The prices of both items have increased far beyond the value of the subsidy. This, of course, is as the result of the direct withdrawal of the government subsidy. Bill S-6 will finally remove all government responsibility for subsidizing the present exorbitant cost of bread.

I think it is particularly symbolic of this government that bread, the staff of life, is the topic of this retrogressive bill and that it reflects the values and attitudes of it toward the needs of ordinary Canadians, particularly the needs of the over one million poor people in Canada today. As we know, bread is the staple food for most Canadians, with rice and pasta the alternatives in some ethnic groups. Bread is an essential food item for low income families on welfare who cannot afford to buy fresh produce or fresh meats more than once or twice a month. It is also very essential to the livelihood of our western wheat farmers.

Despite these facts, as my colleague and other colleagues have mentioned, in September, 1978, the skim milk subsidy program was dropped by the Liberal government, followed by the termination of bread subsidies in December. The Conservatives, I believe, supported these cutbacks. These subsidies were removed at the very same time that inflation was on the rise. We know that soaring food costs were putting great stress on family budgets such as they are today.

We in the New Democratic Party oppose this bill just as strongly as we opposed the cutbacks in 1978. With the high price of food today, the budgets and meals of low income families are affected, and I am sure that most families are shocked after their weekly shopping trips. For example, the magazine *Ottawa Today* conducted a survey of local food prices which showed that eggs are up to $1.19 a dozen, bread costs 65 cents a loaf, frozen fish costs $2.39, apples cost 98 cents per pounds, and milk costs 72 cents a quart. If one compares these prices with the prices in my riding of Vancouver East, they will find that prices there are even higher. In British Columbia the cost of a loaf of bread is now close to 99 cents. It is quite significant of our lack of Canadian policy when we know that people in British Columbia can go across the border to Seattle and pick up three loaves of breads for $1, which is the price the people of British Columbia pay for one loaf.

We also know that it is cheaper and easier for children to go into a store and buy a chocolate bar or a package of potato chips than it is to purchase a delicious Canadian apple. Local cherries in season in Vancouver cost about $1 a pound and a package of five beets costs 59 cents at the height of the season. There is no question in my mind that this supports the NDP position that there must be a fair prices review board with power to roll back prices and to take a good look at profit, particularly those of the supermarkets.

The high cost of food is not a trivial matter. It certainly relates to the bill which is before us tonight. It is an established scientific fact, and hon. members can refer to the recent report which was put out by the Year of the Child Commission, that children who are born of pregnant mothers who do not have proper nourishment suffer from irreparable brain damage, and many of these are poor children. They start life with damaged brains which will make it impossible for them to be fully mature people in society.

It is also well established, and I have had experience with this myself, that pre-school children who do not have the proper nutritious diet suffer from poor co-ordination, lethargy, and inadequate physical, intellectual and social development. It is no wonder that when these same youngsters get to elementary school they are the underachievers, the people who are categorized as having learning disabilities and behavioural problems, and who are the problem makers as they grow toward adolescence. Pretty soon they become the troublemakers, as they reach adolescence.

● (2150)

We can take responsibility for a good part of these social and personal problems because there is a very direct link between inadequate nutrition, poor diet, and the lack of development that we see in many of these children. Often their parents cannot afford proper food and are themselves poorly nourished and apathetic. The whole relationship of inadequate diet and food is an important part of the syndrome of poverty.

This bill has particular significance for millions of poor people in Canada. It should be opposed for the same reasons that many senior citizens on limited incomes protested against the termination of food subsidies in 1978.

I should like to remind hon. members of a few further facts about poverty. Families on social assistance have very little money available for food. Neither do they have money for transportation to go and hunt for bargains in food or to go to the hinterlands to buy directly from the farmers. They cannot afford to buy freezers and take advantage of bulk purchase prices. Although they have the least amount of money in their food budgets of any people, they have to pay the highest prices. Usually the only place they can shop for a few items at a time is the corner grocery store. By the end of the month these families are eating spaghetti, bread, or sandwiches without meat.

In British Columbia a family of four on social assistance receives $334 per month. That does not include shelter. Out of this they must buy bus tickets, clothing, school supplies, recreation, if they have any, as well as food. We know now that nutritionists say it requires well over $300 per month at today's prices to provide a nutritious and adequate diet for a growing family of four people.

If you were living alone, Mr. Speaker, even with parliamentary dining room privileges, I doubt if you could feed yourself on $136 per month. This is what a single person on welfare receives today and it must cover all expenses, including food. I wonder how such people can possibly afford to buy bread which is now close to $1 per loaf.

Mr. Lang: On a point of order, Mr. Speaker, I fail to see the relevance of fish, freezers, and social policy to a debate on the Two-Price Wheat Act. I think it is indicative of something, that the hon. member did not know that the bill under discussion was S-6. This has been apparent through the speech, as she is not speaking to the subject.

The Acting Speaker (Mr. Blaker): Order, please. As the occupant of the chair I have had cause once or twice in recent weeks to ask hon. members to consider seriously whether they are observing the rule of relevancy, so it comes as perhaps a somewhat strange ruling on my part that the hon. member for Vancouver East (Mrs. Mitchell), although the subject matter of Bill S-6 is the two-price wheat system, is nonetheless speaking about food, food costs, and the cost of living to Canadians. In that regard I think I have to find that the hon. member is in order.

Mrs. Mitchell: Thank you, Mr. Speaker. I think it is particularly significant that the hon. member and the party he represents are insensitive to the real meaning of the two-price policy on wheat. It certainly was aimed at trying to make food available to people at a reasonable price.

Surely in a country like Canada, where we can afford to pay over $3 billion for fighter planes, we can afford to subsidize the cost of bread and milk for children and the elderly. Why can we not subsidize nutritious lunches in schools and daycare centres? I am told that this has been a regular practice in the United Kingdom for many years. Surely we could find the funds if we had the will to do it.

This bill establishes once and for all that the Liberal government does not care about the needs of the people, particularly poor people. It does not care enough to reinstate a bread subsidy program or to establish a national food policy. The New Democratic Party feels that food subsidies should certainly be the cornerstone of a national food policy and this bill relates directly to this.

When I first became a candidate for election to this House, Mr. Speaker, I consulted the former member for Vancouver-Kingsway, Mrs. Grace MacInnis, who will long be remembered in this House for her outstanding service to Canada. She told me that her greatest regret over the years she was here and since her retirement, was that this House did not bring in a national food policy for Canada, one that would recognize that all Canadians should have the right to nutritious food at prices they could afford, along with the right to decent and affordable housing. Perhaps these should be included as basic rights when we talk about the Bill of Rights and revising our constitution.

It should be the right of every Canadian child to start life well nourished, with maximum opportunities to develop his or her potential. If we accept this as a desirable goal for a country like ours, we must have a government that provides leadership and that will have a practical plan to assist consumers, as well as farmers, through the control and subsidization of food prices.

Instead of permanently withdrawing Bill S-6, we should extend it to cover a much wider range of essential food items. I would suggest a range of food items that reflects Canada's

food laws would be most appropriate—food that would be distributed only through Canadian food outlets.

Last year I proposed to the Peoples Food Commission that the Government of Canada should initiate a fair food policy and that this policy should subsidize five essential foods—those foods which children are told in school that they must eat in order to have a balanced diet. The five sample foods are symbolic of the five categories of food that make up a balanced diet, and they are produced in Canada.

First, is nutritious whole grain bread, or, in the case of some ethnic groups, a substitute of rice or pasta. This should be the first food we subsidize. At one time the Liberal government recognized this, despite the way the hon. member opposite who just spoke seems to interpret the bill.

Mr. Nystrom: And Gene the Terrible took it off.

Mrs. Mitchell: Yes, Gene the Terrible took it off. Second are dairy products. At one time there was a subsidy on skim milk. Most families prefer fresh milk, of course, but certainly we should have a food policy that would make milk available to every family. I have just returned from a tour of the northern peninsula of Newfoundland where I discovered that milk is a rarity and, if it is received, it is often six or seven days old.

Third would be meat, poultry or fish. I am sure that my colleague to my right agrees that it should be Canadian fish, fresh or frozen. It should be available at affordable prices to every Canadian family at least once a week.

Finally, fresh vegetables such as carrots, should be available. Canadian apples should be made available under a fair food policy.

I should like to call it ten o'clock, Mr. Speaker.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

AGRICULTURE—REQUEST FOR HEARINGS ON ESTABLISHMENT OF NATIONAL POTATO MARKETING AGENCY

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, on June 16 I put the following question to the Minister of Agriculture (Mr. Whelan), and I quote:

> In view of the apparent general support among potato growers for the concept of a national potato marketing agency, will the minister ask the Farm Products Marketing Council to initiate public hearings this summer in order to move toward that objective; and if they will not do that, will the minister immediately establish a commission of inquiry, on an urgent basis, to look into the potato industry in Canada?

Mr. Speaker, the Minister of Agriculture replied saying that indeed he had been in touch with the National Farm Products Marketing Council and had asked it to hold public hearings to inquire into the potato industry. He added, and I quote:

> I believe I can safely say that hearings will be held this summer on the proposals, especially by the provinces of Prince Edward Island and New Brunswick, that a regional agency be established for the eastern production region of Canada, including Ontario, Quebec, Prince Edward Island and New Brunswick.

Since then, Mr. Speaker, the Minister of Agriculture—if I am to believe an article I read in the newspaper *Le Droit* of Ottawa on last Thursday or Friday which I unfortunately do not have with me at this time, the Minister of Agriculture came back charging and said he hoped the Farm Products Marketing Council would undertake as soon as possible to hold public hearings with a view to eventually establishing that potato marketing board that all or nearly all people are now calling for forcefully, of course, because of the poor situation in which the potato industry has been for the past three years, without going back further.

The other aspect of my question, Mr. Speaker, consisted in asking the minister whether the Farm Products Marketing Council did not want to go ahead immediately and hold public hearings with a view to establishing a potato marketing board.

I asked the minister whether he was prepared to set up an independent commission of inquiry into all aspects of the potato industry. I think there is no point in reminding the many hon. members listening to me tonight and the Minister of Agriculture that during the few months we were in the opposition I advocated the establishment of that independent commission of inquiry to report as soon as possible. And, fortunately, that proposal did not die on the shelves as the Liberal party in its great wisdom decided to include it in its agricultural platform. And I remember full well, among other things, a large page of advertising that was published in a farming weekly in the province of Ontario which was paid for by the Liberal party and where one could see the picture of the present Minister of Agriculture, who is still the Minister of Agriculture, Mr. Whelan, containing that election commitment to establish as soon as possible an independent commission of inquiry into all aspects of the potato industry in Canada and to have it report to the government on an urgent basis.

• (2205)

Mr. Speaker, I know that the Minister of Agriculture has only the best of intentions when he urges the officials of the Farm Products Marketing Agency to hold public hearings as soon as possible. However, this is only one part of a much more complex problem, and as evidence I would like to quote a

letter dated January 7 that I received from one of the big names in the potato industry, McCain Foods Limited:

[*English*]

Obviously, it would not matter to us one way or the other if an inquiry was held. I am certainly not opposed to it.

The problems of the potato industry are not simple. I don't think it is any one item that is giving us troubles—it is probably a series.

[*Translation*]

I could also quote many letters that I received at my office from simple farmers, people who deal solely with the production of potatoes and who support what I have said to the effect that it is urgent to get to the bottom of this situation, because when an industry like the potato industry has marked ups and downs for about 15 years, we have to wonder not if the industry is sick, but rather what stage of its agony it has reached, because, in my opinion, the potato industry is more than sick, it is agonizing.

When I speak about the potato industry, I have the impression that I know what I am talking about, and I am thinking mostly about the independent producers, the small family farms with 100, 150 or 200 acres and other family operations which might farm well over 500 acres.

However, I am thinking mostly about these hundreds of average producers for whom the state of the markets, the state of all the marketing structures and the government policies at the federal and provincial levels have become matters of life and death. No one in this industry and no one at the federal level is able now to pinpoint the trouble. I am not more of an expert than others, but I am ready to admit that, as written in the letter that I quoted earlier, we have a whole series of problems and that the simple fact of establishing a potato marketing agency will not get to the bottom of the situation and bring the potato industry back to health or to life. I therefore look forward to hearing the comments of the Minister of Agriculture because in the past, he has always responded very humanely to the problems which affect the various sectors of agricultural production in Canada.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in answer to the hon. member I will repeat a little of what I have already said. On May 29 I directed the National Farm Products Marketing Council to inquire into the merits of forming a marketing agency under the Farm Products Marketing Agencies Act and report the findings to me with dispatch.

Some people may have different ideas as to what "dispatch" means, but according to the act it means that after public notification has been given, hearings can be held within 45 days. They have held meetings with all the provinces they felt were interested and which have experienced this economic drought because they were producing a product—but they were as badly off as the farmers in western Canada who have nothing to sell; these people produce the product but they could not sell it, and in many instances a lot of it came to destruction through deterioration since there was no market for it. What we are saying to these producers is: let us organize properly so as to get rid of the kind of economic drought you face four years out of five, as the record will show.

There has been very little co-operation between the provinces which are the main producing provinces in Canada. That has to be a fact. Or else we can do as an old Conservative government did under R. B. Bennett when he forced a Canadian Wheat Board on the west in 1935—we could force a Canadian potato marketing commission on potato producers. That may be the only answer to getting a proper marketing system for the product because of the great inequity there is in the potato business.

• (2210)

We are also receiving messages from provinces like British Columbia and Alberta, saying, "Please do not leave us out of any marketing commission or agency that you are going to set up for potatoes because we want to be in it." We are receiving that kind of representation. I had further discussions late last week with the National Farm Products Marketing Council. The council is prepared to go ahead because now the provinces of Prince Edward Island, New Brunswick, Quebec and Ontario have said they want a tough agency. They want those kinds of hearings to be held with regard to the marketing of potatoes in eastern Canada.

So, we are on the way, but we also may be holding hearings in some of the provinces in western Canada to see whether we should go even further, because there is that authority vested in the Minister of Agriculture in the national farm products marketing legislation. I say that this is something which is long overdue. I think that a commission would only find most of the things we know already. There are many, many, bad, bad marketing practices, and the only thought I have is that if we appointed a commission it might say, "Mr. Minister, go ahead and recommend to your government that you impose a potato marketing commission or board on the producers of that product," because there is much unfairness, inequity and economic disparity existing among producers who produce a highly nutritious product but receive no returns. Many of these producers are going bankrupt. They are productive people. Something must be done, and I agree with the hon. member that something probably should have been done some time before.

NATIONAL REVENUE—EFFECT OF NEW CUSTOMS REGULATIONS ON SMALL BUSINESS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I am faced with a dilemma tonight. It is now about 12 minutes after ten, and I have seven minutes to deal with a problem which I did not realize was such a monumental problem all across Canada.

On May 5 I rose to ask the Minister of National Revenue (Mr. Rompkey) about the use of B32 actions against small businessmen. At the time I was raising this because a constituent of mine brought to my attention the way he was being

abused by the use of this action. Subsequently I received a file about an inch thick from brokers across Canada who are bothered by this kind of action.

My dilemma is how I can talk about this subject without becoming perilously close to what sounds like civil service bashing, which I detest. Yet this problem has to be corrected. How can I deal with it without criticizing the people who are the cause of the problem?

After I raised the issue, I found that the Canadian Manufacturers' Association has addressed itself to the problem, and in one of its bulletins said:

It was stated that there was a growing tendency among port officials to adopt the attitude "Pay first and then we will listen to you" which amounts to a complete denial of the basic purpose of the 30-day grace period.

It is the customs officials who have the businessmen by the throat when they arrive at ports of entry with products they are trying to import.

Since May 5 I have found the following things. First, the practice which Revenue Canada has adopted in the customs branch may in fact be illegal. The Customs Act allows for 90 days for payment to be made on a reassessment, but the practice by the customs branch and the policy of the customs branch is to give 30 days. Is it possible for revenue policy to supersede the Customs Act? In fact the government may be facing a lawsuit on this matter. However, the customs officials know that small firms cannot afford litigation and that large firms are not bothered by the small amounts they have to pay. They can ride out that kind of storm. Small firms cannot do that, but larger firms can.

Second, I found that the practice was designed, oddly enough, to cut down on paper work. I found out through a departmental bulletin that when the B32 form was adopted, the practice took three forms to replace the one which was used previously. That is some way of cutting down on the paper burden for Canada and for the business community! The way we cut down on the paper burden in this practice is to put a pistol to the businessman's head and say, "Give me your wallet in five seconds". That is a good way of cutting down on litigation. That is a good way of cutting down the number of appeals, because if one has 30 days in this case instead of 90 days, there will be many fewer appeals. I suppose in some ways this has been effective, but it has not been fair, and that, after all, ought to be the uppermost policy of the government.

● (2215)

I know that customs officials cannot be expected to have on-the-spot, intricate knowledge of the multiplicity of imports arriving at the ports of entry. Let me illustrate. I have received a letter from the Minister of National Revenue dealing with this very issue. Here is what he said in this case:

The goods described as Foam Compound B, MR resins, FSC Foams Compound B, Aropol resins, and Hetron resins were also entered under tariff item 93901-1 and 93901-41, free, most favoured nation tariff rate. These have now been determined to be unsaturated polyester and polyether polyol polycondensation moulding compositions classifiable under tariff item 93901-41 at 12.5 per cent, most favoured nation tariff rate. However, it should be mentioned that when Compound A and Compound B are imported together as a system in pre-determined mixing ratios, they are classifiable as a polyurethane polycondensation moulding composition under tariff item 93901-42 at 7.5 per cent, most favoured nation tariff rate.

I wonder if the minister understood what he was writing when he wrote that letter to me. I know I did not understand it when I read it. I expect that most customs officials, when an item comes to the border or many other times like it, do not understand what the item is about. If they can be human enough, as they must be, not to understand the tariff items because they are intricate, surely they can be human enough to admit when they have made a mistake. That is the bottom line of all this.

What the customs officials are doing, it seems to me, is harassing businessmen because they know that the regulations are on their side, not because they are quoting them accurately but because they are so complex that the poor businessman will have to cave in. In order to cover themselves even further, they devised B32 which means that they can go back two years and reclassify at will items which a company has imported. If you are a small manufacturer and you have imported an item two years ago, you have remanufactured it, you have sold it, you have based your price on the cost of the item plus a small margin of profit, how can you go back two years on that item which has been sold, add the extra expense to the cost and to the price and recoup your losses? It seems to me that the customs officials do not appreciate the implications of the complications that they create for the small businessman.

The minister still has not answered me how the businessman is supposed to function if the government can go back two years and the businessman has no recourse in recouping his cost. I wonder how many customs officials there are across Canada who have never had any business experience at all and therefore have never understood what happens to the businessman. In the case of my constituent it meant that the bill which was presented to him for 30 days payment wiped out the profit for two years for that company, which meant that there was no margin for error, which meant that 14 jobs were on the line, just because some official wanted a cushion of comfort to be able to go back two years.

There were three officials who reclassified those items three different ways. Could they be wrong? I expect they could be wrong. The option then is to drive these people out of business. If the government wants to do that, it can carry on with the present practice.

Let me state in conclusion that the great fear I have—and no company has said it to me—is that if a company makes a representation to a member of Parliament such as I, I wonder what will happen the next time it comes to the border. Will the customs officials harass the company even more than they have before because it had the audacity to make a representation to its member of Parliament?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I suppose we can only be thankful that the hon. member refrained from bashing our civil servants.

● (2220)

I appreciate the opportunity the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) has given me to explain the effect of new customs regulations on small businesses. In his question of May 5 the hon. member made specific mention of the B32 assessment and the 30-day period in which payments must be made. The practice of issuing requests for additional duty and/or tax of course is not new. What is new is the requirement that such assessments be paid within 30 days. This system of payment was introduced nearly a year ago. It was done as a result of a recommendation by the financial management task force on accounting and control of revenue, refunds and drawbacks, set up because of reports and criticisms generated by international audits and by the office of the Auditor General in the areas of accounts receivable and accounts payable. As we all know, the hon. member's party is the very one which told us Liberals to pay very close attention to what the Auditor General said.

The task force recommendation was that assessments and reassessments be payable on demand. However, the system introduced was to require payment within 30 days of the date of the B32 notice. In making this recommendation, the task force observed that accounts receivable in customs were too high and there were delays in payments.

It should be noted that the Customs Act envisages the payment of duty at the time of entry of the goods and that the 30 days of grace granted in paying assessments is in accordance with current business practice. Also, the vast majority of these assessments are paid without appeal or, if appealed, the ultimate decision confirms the assessment. Of course importers have the right to appeal these assessments under the provisions of sections 46, 47 and 48 of the Customs Act. This procedure provides for an appeal eventually to the deputy minister and, if not satisfied, to the Tariff Board and the Federal Court.

The problem in accounts receivable arose as a result of a systems change in 1973-74 designed to expedite the clearance of goods at customs to the benefit of all importers. The system has been very successful in this regard. This new system permits importers or their agents to clear goods on the basis of their own declarations of duty and tax owing. In general, it is not until some time after entry, usually within four weeks, that a departmental officer reviews the entry document and first, agrees with the entry as presented; second, decides that too much duty and/or tax has been paid; or third, decides that additional duty and/or tax is owing. A B32 assessment for additional duty and/or tax may then be issued. This assessment is made on the basis of the officer's interpretation of the legislation and past departmental rulings, policy statements and instructions. Of course importers and brokers may seek guidance from departmental officers on tariff classification and valuation matters in advance of importation so as to ensure the accuracy of their declarations.

As regards the three different classification judgments on one item by three different officers, departmental officers are aware of the importance of uniformity of application of the Customs Act across the country. Substantial resources are devoted to improving uniformity. If any situations occur when an opinion or a ruling on tariff classification will be given which conflicts with a previous opinion or ruling, the importer has recourse to the formal appeal procedure. I see Mr. Speaker is about to call my time.

ADMINISTRATION OF JUSTICE—CHARGE OF RAPE—DEFENCE OF CONSENT—AMENDMENT TO CRIMINAL CODE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise in connection with a question which I asked in this House on June 4 last of the Minister of Justice (Mr. Chrétien) with respect to the question of rape and certain decisions which were made by the Supreme Court of Canada on this subject in recent months.

In the April 14 Speech from the Throne the Liberal government pledged that it would take strong measures to promote equality for women, saying that there was no room in Canada for sexual discrimination of any kind. One of the areas on which we were promised action was "the very serious problem of violence against women". In the meantime we have seen no sign whatsoever of the government's proposed aid to women who are victims of violence.

● (2225)

What has happened is that the Supreme Court of Canada has produced two judgments which seriously affect the laws that relate to violent crimes against women. On May 20 last the Supreme Court delivered its judgment in the case of *Regina v. Pappajohn.* In this judgment the court upheld the admissibility of the defence on the part of an accused that he had an honest belief the victim of the rape was consenting even though he could cite no reasonable ground for that belief.

In upholding the validity of this particular defence our Supreme Court relied upon the precedent that had earlier been set in an English case, a decision of the House of Lords in *The Director of Public Prosecutions v. Morgan.* In that case the House of Lords ruled that three men who were in fact convicted of rape would have been acquitted had they claimed they believed the woman they had raped at the behest of her husband was playacting when she violently resisted the assault of these three men, even though there were no reasonable grounds for that belief whatsoever. In that particular case the husband of the woman in question had said that if the three men came home and wanted to rape his wife she would put up quite a struggle, but they should ignore that because really she was just pretending. The British House of Lords held, and our Supreme Court here in Canada followed the decision, that had they honestly believed she really was just playacting they would have been acquitted completely of the charge of rape.

We see the serious effect of that in a decision which shortly followed. In the decision of *Regina v. Cogan,* a case in which a woman who was crying, who was protesting against the advances and the assault of a man who had been invited by her husband to rape her, in effect, the accused was acquitted. This particular man who was charged with rape was acquitted. His defence was that he thought he had the consent of the woman

because her husband had said it would be all right. That is the result of the kind of decision which our Supreme Court of Canada recently handed down in Pappajohn.

The serious implications of this decision cannot be overemphasized. The fact is that now women are going to be placed basically in the invidious position of having either to resist an attacker forcefully so it is clear beyond any doubt whatsoever they were opposing, or to submit willingly even though what that could mean is that the woman would subsequently have no recourse in law. This will, of course, mean there will be even fewer reported rapes and even fewer convictions for a crime in respect of which there is already a very low incidence of report.

On June 4 I asked the Minister of Justice and Minister of State for Social Development what action he and his government were prepared to take to deal with the effects of this very mistaken decision on the part of our Supreme Court. I certainly hope the parliamentary secretary in the House tonight is prepared to tell the House that legislation will be forthcoming very quickly, and that it will not be included in the omnibus criminal code amendments which have been promised by the government for some time.

It is critical we recognize that these changes should redefine the nature of rape to recognize that it is not a crime of passion, but in fact is a crime of violence against women. Our law must recognize that. I certainly hope the law will also get rid of the so-called spousal immunity whereby a husband cannot be convicted of raping his wife even under the most outrageous of circumstances. This perpetrates the old myth of a woman, a wife, as a property of her husband. I certainly hope we will hear tonight that the government intends to remove that particular inequity in our laws in respect of sexual offences against women.

Finally I would note that, although we have seen no action whatsoever on the part of the government in this important area of violent crimes against women, we have once again in the decision of *Regina v. Forsythe,* by the Supreme Court of Canada, seen a very serious setback to women in the area of rape and the laws of evidence in rape trials. We have seen that our Supreme Court has permitted defence counsel now to badger and harass women about their sexual activities with other persons other than an accused, activities which are clearly and totally irrelevant to the question of whether at any given time a woman was violently or sexually assaulted by a man with a charge of rape then being laid.

We see in both the Pappajohn and in the Forsythe decisions the need for Parliament to move quickly in this area of the law, the need for long overdue amendments to protect women who have been the victims of these kinds of attacks.

● (2230)

In concluding, I hope that we will see, as I said earlier tonight, the review which has apparently been conducted by the department, completed, and that the crime of rape will be redefined as a crime which reflects the reality of its violent nature against women.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I appreciate the concern of the hon. member for the problems of victims of sexual assault, and I share those concerns with him. I do not concur with his views on the effect of the recent Pappajohn decision, to which he refers. In all seriousness I suggest that he take a closer look at the judgment before he makes and spreads abroad even more the misinterpretation of at least a part of the decision to which I will now address myself.

The Pappajohn decision of the Supreme Court of Canada affirms that what is known as a "mistake of fact" defence is available in Canada on a charge of rape. Before a judge can put a defence to the jury, there must be an evidentiary basis upon which that defence can rest. For a "mistake of fact" defence to succeed in a rape case, there must be some evidence which, if believed, would support the existence of the accused's honest but mistaken belief that the complainant was consenting to the act of sexual intercourse.

In the Pappajohn case the trial judge did not put the defence of "mistake of fact" to the jury because he was of the opinion that there was no evidentiary basis for it. The accused's defence was that the complainant consented; it was not that he mistakenly believed that the complainant consented. The majority of the judges in the Supreme Court of Canada agreed that the trial judge was correct in not putting this defence to the jury. The two dissenting judges thought that the defence should have been put to the jury.

It is incorrect to say that an accused must be acquitted even if there were no reasonable grounds for this belief. While the existence of reasonable grounds is not a pre-condition to the availability of the defence, those grounds necessarily determine the weight the jury will give to the defence.

The hon. member has also raised the matter of legislation amending the Criminal Code to deal with sexual offences against women. I point out to him that the code amendments under consideration right now would deal with sexual offences against men and women. I am sure that the hon. member was concerned with both instances, although his emphasis was on instances concerning women.

There was quite an extensive review over the last decade of this entire subject. As a result the government introduced Bill C-52, in the Thirtieth Parliament, which was criticized on a number of grounds, including that of redefinition of rape to indecent assault on the one hand and aggravated sexual assault in the other circumstance. Since that bill was introduced there has been a great deal of criticism from women's organizations. The Department of Justice and its officials since the introduction of that bill a couple of years ago have consulted very widely and have been assisted by the Canadian Status of Women Council in that particular respect.

I would inform the hon. member that the minister is presently reviewing all the possible alternatives on this very serious and acute subject. I am advised by the Department of Justice that the minister hopes to finalize this matter with cabinet in the coming weeks with a view to introducing a bill on the

subject as soon as possible. In the absence of the Minister of Justice (Mr. Chrétien) I do not wish to comment on the Forsythe decision to which the hon. member has referred. However, I want to assure him that the minister is studying that decision of the Supreme Court very carefully. Finally, I concur with the hon. member in his concern for this matter.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

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

HOUSE OF COMMONS

Tuesday, July 8, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

WESTERN GRAIN STABILIZATION ACT

PAYMENTS TO GRAIN PRODUCERS—DATE CHEQUES EXPECTED—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact that there has been no indication by the government whether or not there will be a payment made under the provisions of the Western Grain Stabilization Act, and in view of the fact that it was the stated intention of the government when the bill was passed that payments would be made to producers at or about the time of spring seeding, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the minister in charge of the act make a statement in the House advising why there has been a delay, whether or not a payment will be made under the act, and the date when it is expected cheques will be made.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN HOME INSULATION PROGRAM

NEED TO TIGHTEN PROGRAM PROCEDURES AND CONTROLS—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given the past dismal record of the administration of the Canadian Home Insulation Program, a few examples of which are perpetually late payments to home owners, shortage of application kits, lack of information, dishonest insulators fattening at public expense, and lackadaisical accounting practices which lead to home owners receiving double payments for the same job, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House urge the responsible minister to immediately tighten program procedures and controls so that Canadian taxpayers' money will not be squandered further.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL WHEELCHAIR OLYMPICS

CONGRATULATIONS TO CANADIAN PARTICIPANTS—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I did not have an opportunity to consult with the government or the other party in the opposition about this, but I am hoping they will grant unanimous consent to my motion.

Under Standing Order 43 I should like to point out that whereas Canadian athletes have just returned from competition at the International Wheelchair Olympics in the Netherlands, and whereas many of those athletes achieved outstanding performances through tremendous professional, personal and team efforts and Canada placed third out of 43 countries participating, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House congratulate the athletes, trainers and organizers of the Canadian 1980 Wheelchair Olympics team, and that this House request that the Speaker convey congratulations to each of the athletes on behalf of all Canadians and members of this House.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: The House has heard the motion. Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

S.O. 43

AGRICULTURE

GRAIN—REQUEST BILL S-6 BE WITHDRAWN—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the inadequate price set by this Liberal government for domestic grain, grain consumed in Canada, in the last crop year and set arbitrarily for the 1980-81 crop year, and in light of the financial burden which this government has asked the farmers of western Canada to bear, rather than honouring its legal commitments, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this government immediately withdraw Bill S-6, recognize its legal obligation to the farmers of western Canada and pay out the $200 million owed to the farmers of western Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CANADIAN ECONOMY

NEED FOR STRONG NATIONAL GOVERNMENT—NEGOTIATIONS ON CONSTITUTION—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter which should receive the unanimous consent of the House.

In view of the fact that the problems of inflation, unemployment and energy are global in nature, in view of the present international tensions that are a threat to world peace, and in view of this year's report of the Organization for Economic Co-operation and Development, which includes 23 western industrialized nations, that Canada has the most decentralized government of all these nations, I move, seconded by the hon. member for Scarborough Centre (Mr. Kelly):

That this House acknowledge the need for a strong Canadian national government, and support the Prime Minister in the ongoing constitutional negotiations with the provincial premiers with regard to the split of federal-provincial powers.

Madam Speaker: Such a motion would require the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT—REQUEST FOR TABLING OF ANNEXES TO CONTRACT—MOTION UNDER S.O. 43

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

On April 17, I asked the Minister of Supply and Services (Mr. Blais) to table the contract for the new fighter, the F-18, and cautioned him on the dangers in that contract. I further asked him about any contingency plans in the event of a United States decision to cancel the F-18 program. On May 6, the same minister was asked in the House by the hon. member for Haldimand-Norfolk (Mr. Bradley) to table the contract. On June 12, he finally tabled the contract without annexes, but promised in the House that he would make these annexes available to members of the House who requested them.

On June 20, I wrote to the minister to ask for the missing annexes to the contract which detail the financial commitments made on behalf of Canada, and since that date I have heard nothing. Therefore, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That this House directs the Minister of Supply and Services to table all the annexes to the fighter contract signed with McDonnell Douglas.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN PIPELINE ACT

HOUSE DEBATE BEFORE AMENDMENTS RATIFIED BY CABINET—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I, too, rise under the provisions of Standing Order 43, although I am not sure my motion will be passed. The issue concerns the northern gas pipeline.

Whereas the hon. President of the Privy Council (Mr. Pinard), when he was serving as parliamentary secretary to the president of the privy council, said in the House on February 15, 1978, that Canada must be protected against "any risk on non-completion" of the northern pipeline; whereas the hon. Minister of Finance (Mr. MacEachen), when he was president of the privy council, said in the House on April 4, 1978, "From the very beginning I undertook in the House to ensure that Parliament was brought in at every stage"; whereas the government so far has refused to bring the disastrous sell-out known as the pre-build of the pipeline back to the House so that Parliament can freely and openly determine if Canada is protected against the risk of non-completion under the proposed amendments to the Northern Pipeline Act, I move,

seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House directs the President of the Privy Council to honour his predecessor's promise and his own words by bringing any amendment to the Northern Pipeline Act or schedule to that act before this House for full debate before ratification by cabinet.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PRODUCTION OF GASOHOL—EXEMPTION FROM EXCISE TAX—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Canada must move toward energy self-sufficiency, whereas the capacity of Canada to produce liquid portable fuels is declining, whereas the production of gasohol in Canada is technically possible on a large scale, and whereas many countries are now producing significant amounts of gasohol, I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That the federal government exempt gasohol from the seven-cent a gallon excise tax in order to encourage the production of gasohol in Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SUMMER YOUTH EMPLOYMENT PROGRAM

DELAY IN ISSUING PROJECT PAYROLL CHEQUES—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the deplorable, inexcusable and arrogant action by this government in telling young people employed with the federal Summer Youth Employment Program to borrow their pay cheques from chartered banks because the present Liberal government cannot issue pay cheques to these students in less than eight weeks from the signing of a contract—and I remind you, Madam Speaker, that some of these young people have been waiting since May for their first pay cheques—I move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

S.O. 43

That the Minister of Employment and Immigration immediately launch a full-scale investigation into this matter, advise his department that they are no longer to continue to advise these students to borrow their payroll from the chartered banks of Canada, and that government youth project payroll cheques will be sent out in a lot less time than eight weeks from the date of project approval.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

THE CANADIAN FEDERATION

SEVENTY-FIFTH BIRTHDAY OF SASKATCHEWAN AND ALBERTA—COMMEMORATIVE STAMP—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43. This year Canada is celebrating the seventy-fifth birthday of two western provinces, Saskatchewan and Alberta. These two provinces supply much of the food and energy of this nation.

Some hon. Members: Hear, hear!

Mr. Yurko: The pioneers who settled and developed these provinces came from many countries and are truly representative of the multicultural character of this nation.

In recognition of the seventy-fifth birthday of these provinces, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House extend to all people, and in particular the pioneers of Alberta and Saskatchewan, greetings and congratulations for their extensive contribution to the success of the Canadian federation and, furthermore, that the federal government strike a suitable stamp to commemorate the seventy-fifth birthday of these two provinces.

I suggest this in view of the fact that this has been done on many occasions in respect of other events.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Hon. members have heard the motion proposed by the hon. member for Edmonton East (Mr. Yurko). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Oral Questions

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER PATRIATION CONSTITUTES AMENDMENT OF CONSTITUTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, may I, on behalf of all Alberta residents, sincerely thank the House of Commons for its kind wishes extended today.

[*English*]

Madam Speaker, I have some questions for the Prime Minister relating to matters on which I assume he has sought advice, particularly of law officers of the Crown. Can he tell the House whether it is the position of the government that patriation of the constitution constitutes an amendment of the constitution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not sought the opinion of law officers of the Crown on that matter, but I would be happy to do so.

Mr. Clark: Madam Speaker, I would hope the Prime Minister would convey that opinion to the House, since it could well prove to be germane. Is it the position of the government that the decision rendered on December 21 by the Supreme Court of Canada in respect of former Bill C-20 in any way affects the ability of Parliament to act unilaterally in respect of patriation?

Mr. Trudeau: Madam Speaker, I am not quite sure if the reference is to Bill C-20 or to Bill C-60.

Mr. Clark: I am sorry; it is C-60.

Mr. Trudeau: If it is to Bill C-60, would the Leader of the Opposition ask the question again?

Mr. Clark: I apologize, Madam Speaker, for miscalling the bill; it is Bill C-60. My question is whether it is the view of the government that the decision by the Supreme Court of Canada rendered in December of last year in any way affects the ability of Parliament to act unilaterally in respect of patriation.

Mr. Trudeau: Madam Speaker, I can ask for an opinion from the law officers of the Crown in that regard. But the Right Hon. Leader of the Opposition will recall that the decision had to do with action by the federal government in respect of the Senate, and I have no recollection that it mentioned in any way the question of repatriation.

● (1420)

Mr. Clark: Madam Speaker, can the Prime Minister tell the House whether the Government of Canada still accepts the proposition put forth in the white paper issued by the then minister of justice, the late Hon. Guy Favreau, which said in part:

—that the Canadian Parliament will not request an amendment directly affecting federal-provincial relationships without prior consultation and agreement with the provinces.

Mr. Trudeau: Madam Speaker, that paper is nearly 20 years old and I am not quite sure in what context the particular phrase was used.

INQUIRY WHETHER NATIONAL REFERENDUM WILL BE HELD ON PATRIATION

Hon. Jake Epp (Provencher): Madam Speaker, I would like to ask a question of the right hon. Prime Minister. Many of us regard constitutional changes as a topic which often transcends partisanship. Many of us are concerned about the confrontationist statements which the Prime Minister made in his speech at the Liberal convention in Winnipeg. I refer to such statements as:

—I'm glad you're in a fighting mood—

Also:

—that's why it's up to you, the people, to decide that this matter must be done. So let us move!

In view of those statements which he made to the delegates at the convention, and statements made by his ministers, is the Prime Minister contemplating a national referendum on patriation of the constitution should the topic not find unanimous agreement at the first ministers' conference in September?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I answered that question some weeks ago in the House. The answer is that I am not contemplating a national referendum. As to the particular reference quoted by the hon. member, I think it is a valid statement that the source of all authority in this country is the people: They, being the last resort, will have to exercise their sovereignty if governments prove unable to do so.

Mr. Nielsen: It would really be nice if you believed that.

Mr. Trudeau: You don't?

Mr. Epp: Madam Speaker, despite the Prime Minister's disclaimer, there still remains serious doubt as to his position—to which he has alluded—and the direction that he may take on the matter after the September meeting. In terms of referendum legislation as it relates to patriation of the constitution, has the Prime Minister instructed any of his officials or, for that matter, any of his ministers to draft legislation relating to a national referendum on that subject?

Mr. Trudeau: Madam Speaker, I have given no such instructions. I have reminded some of my colleagues of a suggestion which I made more than a year ago, that if after several more years of effort the provinces and the federal government are unable to reach an agreement yet again on the patriation of the constitution, there might be some cause to consider a referendum.

INDUSTRY

APPROVAL OF FOREIGN INVESTMENTS BY FIRA

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. I am sure the minister is aware that since the last election 94 per cent of all applications to establish new businesses which went before the Foreign Investment Review Agency were approved, and that 85 per cent of all acquisition requests were approved, all this in spite of the fact the government has indicated that it wants to discourage foreign investment other than where it is of proven significant benefit to Canada.

Would the minister tell the House whether or not he has responded to the request in the letter written to him on June 12 by the United Electrical Workers Union asking for an investigation into the acquisition by Murata Manufacturing of Japan of Erie Technological Products of Trenton, Ontario, and whether or not he has looked into the subsequent lay-off of approximately 150 employees by Murata immediately after the acquisition took place and was approved?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I certainly did respond to this request. I found that while the government had approved the proposed acquisition, it has not yet been completed, and that the lay-offs in question took place before the completion of that acquisition. We are continuing to look into the matter to ensure that all requirements under the act are being met.

Speaking of the administration of the act in general, I can assure the hon. member and this House that under my direction significant benefit, as is required by the act, is looked for very actively to ensure that the act is being enforced with respect to each and every application which is accepted by the government.

• (1425)

Mr. Deans: A supplementary question, Madam Speaker. I am sure the minister appreciates that although it may be technically true that the lay-offs took place before completion of the transaction, it was all part of the arrangement.

When the minister talks of significant benefit, could he explain to the House what significant benefit was derived from the sale of Thomas Holding Ltd. to Monique A. McCool, of Lima, Ohio, of a daycare centre? The answer given publicly by the Foreign Investment Review Agency is that it would improve product variety.

Mr. Gray: Madam Speaker, if the hon. member would read the release a little more fully, he would see that in the check list to which he referred there is also a check under other headings showing additional measures of significant benefit which he failed to mention to this House.

He failed to mention something even more important, and that was a small business application, as is the case with most of the ones we are dealing with. We are looking at significant benefits in every case. The economic significance of the transaction he mentioned is certainly not the same as the major acquisitions where we are paying special attention to the matter of significant benefit.

The hon. member is worried about day nurseries. I am worried about improving jobs and working conditions for millions of Canadians.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: So Herb doesn't care about daycare.

Mr. Epp: Try and get the women's vote.

Madam Speaker: Order, please.

Mr. Deans: In light of the minister's answer, perhaps he might tell the House what the significant benefit was when Houdaille bought and then closed down their operation in Oshawa, and when Nokia bought or acquired and built a plant supposedly to make rubber tires in Ontario, when we all know there is a surplus of tires. Can the minister explain to the House where the benefits are and where all these wonderful jobs are?

Mr. Gray: Madam Speaker, as usual, my hon. friend is really poorly informed, which is surprising because of his supposed background in the field. Nokia has not built any plant. In this case, some of the representations were set out in the press release indicating that this enables a change of what is now an import of tires, something that is permissible under present law, to the manufacture of tires in Canada, thus replacing imports with jobs for Canadians. He does not care about that.

With respect to the Houdaille transaction, that was approved under a previous administration. The representations, the undertakings, were being met; but conditions changed. We are investigating that to see whether there are breaches of undertakings so that we can take enforcement proceedings.

I suggest that my hon. friend ought to be more informed than he is on these vital matters, instead of fiddling around with day nurseries. When it comes to helping Canadians, he is still in diapers.

* * *

ENERGY

OIL PRICING—SCHEDULE OF MEETINGS WITH PRODUCING PROVINCES

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday, the Prime Minister informed the House that at least tentative arrangements had been made for a meeting between himself and the Premier of Alberta for July 24, only one week before the expiration of the energy pricing agreement.

To make this July 24 meeting as productive as possible, am I correct in presuming that a series of meetings between now and July 24 are scheduled, either at the ministerial or top official level, for the purpose of clarifying, altering or setting forth new respective positions between the two levels of government? If that presumption is correct, I wonder if the minister would indicate the schedule of such meetings.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I intend to meet with my colleague from British Columbia in the course of the next week. It may be appropriate to have other meetings.

At the present time, no specific meetings have been set up with my colleague from Alberta. We have already had several meetings and I have put forward at least four or five offers. However, if there is any particular additional information that would be relevant, or if my colleague from Alberta is interested in discussing any particular changes, alternatives or offers he would have to make, I can assure my hon. friend that I am totally available and I will make myself available either in Edmonton or in Ottawa at any time that is convenient.

● (1430)

Mr. Jarvis: Madam Speaker, following the last meeting between the minister and his provincial counterpart, their respected positions were described by both ministers, I believe, as being miles apart, very far apart, or words to that effect, which presumably, unless the minister can inform us otherwise, is the situation today.

Is it the government's position, despite the crucial importance of an energy pricing agreement, that prior to July 24 no efforts are to be made to solve, for example, some of the ancillary issues or to set forth new proposals in order to give first ministers on July 24 some form of basis for agreement other than the situation where the positions are so far apart?

[*Translation*]

Mr. Lalonde: Madam Speaker, it is quite obvious that the government is now thoroughly considering the results of negotiations between myself and my Alberta counterpart and studying any acceptable improvement to the proposals which I had the opportunity to make. If the government concludes that some improvements are possible, it is clear that the Prime Minister of Canada will have the opportunity to suggest and discuss them with his Alberta counterpart. Should it be deemed necessary to have further talks in the meantime, I wish to assure my hon. colleague that we will be quite pleased to meet our Alberta counterparts.

[*English*]

CONSUMER AFFAIRS

ALLEGED SUBSTITUTION OF REGULAR FOR NON-LEADED GASOLINE

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is to the Minister of Consumer and Corporate Affairs. Has the minister been made aware of any attempts by small oil companies to fraudulently substitute regular gasoline for non-leaded or super non-leaded gas in service station tanks, so that people are getting the cheaper leaded gas instead of the non-leaded gas which some vehicles require?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): No, Madam Speaker.

[*English*]

Mr. Gurbin: Madam Speaker, my supplementary is to the Solicitor General. As it is my understanding that this is, in fact, a practice which has taken place in Ontario, would the Solicitor General be willing to ask the RCMP to investigate the problem and determine the level of federal responsibility, if any, as to just how widespread the practice is and what measures may have to be taken to prevent further substitution?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I will look into the matter and speak to the hon. member about it.

Mr. Nielsen: You do not know what he is talking about.

* * *

[*Translation*]

SHIPBUILDING

INQUIRY WHETHER MINISTER WILL MEET WITH MANAGEMENT AND UNION REPRESENTATIVES

Mr. Raynald Guay (Lévis): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce and follows up on the statement he made yesterday in the House. As of June 30, subsidies to the shipbuilding industry have been lowered from 20 to 9 per cent, which has put an end to negotiations for new contracts because of the uncertainty surrounding new measures to be announced by the government. When does the minister intend to meet the industry advisory group and union representatives? Also, will it be the same advisory group which has already submitted a report on the shipbuilding industry in Canada in 1978, and when does the minister intend to announce the new program?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I hope to begin as soon as possible consultations with groups interested in the future of shipyards. I am fully aware of the importance of this industry in the area

represented by my hon. colleague, as well as in many other regions of our country, and hopefully it will be possible to obtain cabinet approval to implement a new and more effective program this fall.

* * *

[*English*]

ENERGY

UNITED STATES CONVERSION TO COAL-FIRED PLANTS—EFFECT ON ENVIRONMENT—EMISSION CONTROLS

Mr. Derek Blackburn (Brant): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. Given the serious threat to the Canadian environment if the American government proceeds with its plan to convert 80 power plants to coal in the northeastern United States, without emission controls, is the minister prepared to insist that before any future increases in the export of Canadian natural gas to the United States takes place the U.S. government gives written guarantees that the emission control standards on coal-fired power plants—or all industries, for that matter—will be the highest possible?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this matter has been discussed both between myself and my colleague, the Secretary of State for Energy, and between the Secretary of State for the Environment in the United States and the Minister of the Environment. We have impressed upon the American authorities the great importance that we attach to this issue.

My colleague had a meeting as recently as a couple of weeks ago on this very subject. I think we are quite confident that the American authorities are very much aware of our concern, and that we will succeed in achieving a satisfactory arrangement in this respect. If my hon. friend wishes to have more specific information, I would suggest that he address his question to the Minister of the Environment.

Mr. Blackburn: Madam Speaker, the minister seems to be more confident about this problem than we are on this side. This situation has been going on for many years, with little action. If the minister is not prepared to use our natural resource exports to negotiate a clean air agreement with the United States, as I suggest he should, would he consider a special export tax on this resource to partially pay for the pollution damage to our economy that emissions from these coal-fired plants will cause?

Mr. Lalonde: Madam Speaker, the hon. member assumes in his question that there will be additional pollution arising from those developments. We are not ready to assume that at this time.

INCOME TAX

INDEXATION—GOVERNMENT POSITION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Minister of Finance perhaps I could put my question to the Prime Minister. As the deputy minister for finance, Mr. Stewart, indicated earlier today that his department continues looking to the total removal of indexing in the tax system, has revealed that this would produce a federal revenue gain of over $1.5 billion, and has also confirmed that it will reduce the threshold level in income for a family of four, if indexing is removed, from $12,400 down to $11,335—or a $1,000 difference as far as that relatively low-income family is concerned—would the Prime Minister put an end to the speculation about indexing removal once and for all and tell the deputy minister and his Minister of Finance that he wants no part of it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of State for Finance, myself, and the Minister of Finance have answered this question many times before. I fail to see why the hon. member is concentrating his attack on some hypothetical tax which is being studied. Why is he not making the same argument against all forms of taxation? I fail to understand that.

Mr. Stevens: Madam Speaker, we are concentrating our attack on this because it is hurting the relatively poorer income earner in this country more than anybody else.

Some hon. Members: Hear, hear!

Mr. Stevens: The Prime Minister does not need to be told again that the only reason the government is looking for this fresh revenue source is because it has failed to restrain its own spending.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. Will the hon. member please ask his question.

An hon. Member: Not a speech.

Mr. Stevens: Madam Speaker, my supplementary to the Prime Minister is with respect to the wage earners who are now settling contracts with their employers through union negotiations. Does the Prime Minister feel it is fair for these wage earners to be settling, presumably, on what they think is a net tax position, only to find that some time between now and the fall they may be surprised to hear that indexing has been removed, and retroactively they will be taxed almost 10 per cent more than they anticipated?

Mr. Trudeau: Madam Speaker, this question is hypothetical by its very nature: if something happens, something else will happen. But we do not know and we will not know until the budget. If the hon. member had used the same kind of indignation to prevent the government of which he was a

member from slapping an 18-cent excise tax on all the people across Canada, he would still be on this side of the House.

Some hon. Members: Hear, hear!

An hon. Member: What about wage and price controls?

An hon. Member: Where is your tax credit?

* * *

● (1440)

SUPPLY AND SERVICES

CONTRACT CONDITIONS FOR F-18 FIGHTER AIRCRAFT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of Supply and Services. It is about the new fighter aircraft. Can the minister confirm that he was recently in St. Louis and, as a result of his discussions with McDonnell Douglas there, is he now able to assure this House that McDonnell Douglas will satisfy all contract conditions and that everything is going according to schedule?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, having heard the hon. gentleman's motion under Standing Order 43 before the question period, I first of all wish to indicate to him that I would have hoped he would have been just a little more patient. I do have the annexes addressed to him with a covering letter that is available to him immediately after question period, if he should wish.

Mr. Clark: What a coincidence.

Mr. Blais: In terms of the F-18 contract, I wish to assure the hon. gentleman that I am content that best efforts are being made, in terms of the contract, to satisfy all terms of the contract. The project management team is already in St. Louis and is overviewing the performance of the contract and the meeting of all the milestones in terms of the performance of that aircraft.

We are content that the information that was available to us at the time of the signature of the contract is being maintained, and that aircraft will be the best aircraft available to Canada at the time of delivery. I might indicate, as well, that in terms of the industrial offsets there has been a great deal of interest by all Canadian manufacturers in the aeronautical and space industry. I am most encouraged by the response. In effect, the offset package will surpass the commitment that had been made by McDonnell Douglas.

Some hon. Members: Hear, hear!

Mr. McKinnon: It is nice to know that after raising the subject five times in the House of Commons the minister is finally going to give me those annexes. I listened carefully to his reply to my question. Does the minister, then, totally deny a news report in the July 7 *Toronto Star* which states, *inter alia* "and Ottawa officials have confirmed that production of the interceptor will be delayed six months because of a redesign of the aircraft's wings"?

Mr. Blais: Madam Speaker, I am denying a number of reports that have been contained in the press, and allegations made in this House by members of the opposition that were completely unfounded. We must recognize that the selection of this aircraft was following analysis in a highly competitive marketplace. In effect, the F-16 is still competing with the F-18 in other areas. That competitive environment encouraged some statements to be made that were completely unfounded.

I might indicate to the hon. gentleman that he has seen the contract: he knows very well there are milestones identified within that contract that have to be met by McDonnell Douglas, failing which there will be financial penalties in liquidated damages which will have to be paid by that company.

* * *

WESTERN GRAIN STABILIZATION ACT

PAYMENTS TO GRAIN PRODUCERS—DATE CHEQUES EXPECTED

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is to the Minister of Transport, who answers in this House for the minister in the other place who is responsible for the Western Grain Stabilization Act. Can the minister advise this House if statistics gathered indicate that a payment has been triggered under the Western Grain Stabilization Act and, if so, the possible date when cheques will be mailed?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my indication from the Minister of State responsible for the Wheat Board is that, indeed, that could be triggered. I do not have the figures as to the extent.

Mr. Neil: The minister is probably aware that in the debate, when the act was submitted to this House, the then minister indicated it was the intention, under the act, that payments would be made at or about seeding time in early spring, so that the grain producers would have funds with which to finance their production. Every year the payment gets later and later. I wonder if the minister would pass on to the minister in charge of the act the fact that the delay causes considerable inconvenience. Also, can he determine why each year the decision to make the payments comes later?

Mr. Pepin: I will indeed do so, Madam Speaker, but I might suggest that the hon. member could do so himself by agreeing to send Bill S-6 to committee. The minister responsible for the Wheat Board is waiting there to answer all questions of this type and other types.

[*Translation*]

AIR TRANSPORT

INQUIRY INTO INCIDENT AT DORVAL—DATE OF RELEASE OF FINDINGS

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I direct my question to the Minister of Transport. Mr. Laurent Chartier, a higher official of civil aviation in the Department of Transport, told us that a near tragedy occurred at Dorval airport during the month of February. Could the minister tell the House whether it is true that upper echelons in Transport Canada held up an attempted inquiry, whether disciplinary action will be taken against the air controller and when the results of the inquiry will be released?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, with regard to the Dubin commission, my position has been not to comment on or make major changes to the air safety standards that are in effect in my department for the very good reason that a commission of inquiry was created specially for that very purpose. My predecessor and the judge appointed to that commission had concluded an agreement that such would be the policy of the minister and the department and I think that makes sense. When a commission of inquiry is created, I think the least one can do is give it every opportunity to hear, ponder and filter the evidence and then make the necessary recommendations. That is the position I have taken and I believe it is the right one. If I am not mistaken, Madam Speaker, it was also that of my predecessor.

* * *

[*English*]

METRIC CONVERSION

REPORTED DELAY IN IMPLEMENTATION OF SYSTEM—GOVERNMENT POSITION

Mr. Bill Domm (Peterborough): Madam Speaker, I wish to address my question to the Minister of Industry, Trade and Commerce. In light of recent statements by the major chain stores in Canada, including Dominion, Loblaws, A and P and IGA, is it possible that the rumour is correct that the present government is considering delaying the implementation of metrication in 21 cities in Canada on January 1?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have taken no such decision.

Mr. Domm: Madam Speaker, my supplementary is to the Prime Minister. In light of his throne speech and his commitment to listen to the people and respond to their wishes and desires, and in light of the fact that in the test centres of Sherbrooke and Peterborough up to 85 per cent of the people do not wish to proceed with metrication on January 1, and they are not proceeding there, will the Prime Minister assure the House that he will listen to the people of Canada and not proceed seven years ahead of the United States with metrication in 21 cities in Canada on January 1?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member seems to be putting his own opinion forward, which is one following some great distance the lead of others. I do not know on what polls he is basing that opinion.

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AIR SAFETY

ACTION AGAINST PERSONS BREAKING REGULATIONS—DUBIN INQUIRY

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is for the Minister of Transport as well, but on a different subject. When the Dubin commission reports to him, perhaps in October, will he or his department take specific action against those participants who are breaking the safety regulations of his department?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I suggest we wait until we get the recommendations. I can say very emphatically that it is my intention to act as rapidly as I can on the recommendations that the judge makes.

Mr. Ellis: I appreciate that the minister is going to act on the recommendations. What I am asking, and what has been asked in this House on both sides, is: is the minister not going to act on the specific breaches that have been reported in evidence before the commission? If he is not going to act on those specific breaches, why is the commission taking place? The corollary is that if he is going to act on them in October, why will he not act on some of the more dramatic ones now?

● (1450)

Mr. Pepin: Madam Speaker, I think it has been traditional for a minister to commit himself, as I just did, to being respectful and to acting upon recommendations, but I have not heard anything to the effect that a minister is obligated to accept all the recommendations of a commission. That is the fine line that I am trying to walk at this time. I think that is the standard approach to this question.

* * *

FISHERIES

DUMPING OF EFFLUENT INTO B.C. WATERS—ENVIRONMENTAL HAZARD

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Minister of Fisheries and Oceans. I am sure the minister is aware that the permit to Amax in northern British Columbia, which he took part in granting and which allows the dumping of 100 million metric tons of effluent into Alice Arm, was granted on April 10, 1979, in the middle of a federal election campaign.

A number of eminent scientists in British Columbia have concluded that the proposed dumping not only poses a serious environmental hazard but also that the permit itself was based on faulty and incomplete information. I wonder if the minister would tell this House whether he is prepared to make the permit comply with the act passed by this Parliament, which is the Fisheries Act, and to have the standards of that act comply with the proposal made by Amax.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, first I might say to the hon. member that this permit has nothing to do with the fact that there was or was not an election campaign. Second, a document was given to one of the hon. member's colleagues at a parliamentary committee last week. The hon. member may not yet have become familiar with that, but it gave the honest opinion of the departmental official on what was the most effective way to avoid the problem of bleaching of deposits which would be subject to very heavy rains in that part of the country.

The hon. member also said that there were a number of scientists: I understand that there is at the moment only one who has publicly challenged the view of the department. We will obviously review this whole issue and come back to the hon. member when we have more information.

Mr. Fulton: Madam Speaker, my supplementary question is to the Prime Minister. I think it is a crucial question and that the Prime Minister should respond to the whole of Parliament.

An order in council was passed in the middle of a federal election campaign allowing 8,000 times more dumping than that allowed by an act passed by this Parliament. I wonder if the Prime Minister would comment on whether he feels that this practice is a good one. Second, would he support a full public review of this permit, which is the only one of its kind in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am afraid I am not in a position to answer that question. If the hon. member would like to have an answer, maybe I could take his question as notice.

* * *

PUBLIC SERVICE

RETRAINING POLICY FOR EMPLOYEES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the President of the Treasury Board. It has been reported, arising from evidence at a standing committee, that an official of the Treasury Board indicated to the standing committee that a retraining policy for the public service has been approved by the Treasury Board. Is that true or not?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, we have been examining at length a substantial retraining policy for the public service, as I have indicated on numerous occasions and as I have discussed with the hon. member for Nepean-Carleton. We have given approval at this stage to a proposed training program, the details of which I hope will be made public in the very near future.

Mr. Baker (Nepean-Carleton): Madam Speaker, if the minister can, I would be grateful if he could let me know approximately when the publication of the policy might take place; and could he indicate to the House whether he has completed consultations with the National Joint Council, if those are indeed contemplated by the minister?

Mr. Johnston: Madam Speaker, I believe the training program will be very satisfactory to the hon. member for Nepean-Carleton, who has shown a great interest in these areas in the past and I hope will continue to do so in the future. I hope he will be very supportive of this program.

As I indicated, with us "in the very near future" means just that, and I hope that in the next several weeks we will be able to make it public.

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AGRICULTURE

DROUGHT IN NORTHWESTERN ONTARIO—RELIEF PAYMENTS FOR FARMERS

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, my question is to the Minister of Agriculture. Since drought conditions in northwestern Ontario are certainly as serious as they are in Manitoba, I ask the minister if the relief payments which he announced for the prairie provinces last Thursday will also be applicable to farmers in northwestern Ontario, who will need 300,000 or 400,000 bales of hay for this fall.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the question the hon. member asks is a very serious one, because farmers are affected by drought in that area as much as those in some of the constituencies of hon. members from Manitoba or Saskatchewan. It will be a non-discriminatory plan: they will receive aid in an equitable fashion.

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IMMIGRATION

MINISTERIAL DISCRETION IN ISSUING PERMITS—CASE OF GIUSEPPE CALAMUSA

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Minister of Employment and Immigration. In the relatively short time the minister has been in office, I wonder if he can recollect for the House the approximate number of occasions on which he has exercised his ministerial discretion by issuing minister's permits either to permit someone to enter Canada or to permit someone to stay in Canada. Of that number, how many has he issued against the recommendation of one of Canada's law enforcement agencies?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows quite well, the ministerial permit is something which is issued in the hundreds, and sometimes thousands. I think last year there were some 7,000 or 8,000 ministerial permits issued. Not all of them were issued directly by me, but I am authorized to give public servants and the commission the authority to make those permit decisions. I cannot give the exact number, but I would be glad to provide it to the hon. member at a convenient time.

Mr. Lawrence: Madam Speaker, as I am sure you recognized—if the minister did not—the nub of the question was how many, or approximately how many, or what percentage he has issued against the recommendations of law enforcement agencies. If the minister wants specifics, my supplementary question is with regard to the case of Mr. Giuseppe Calamusa. I wonder if the minister could inform us if he issued that permit against the recommendation of one of Canada's law enforcement agencies.

Mr. Axworthy: Madam Speaker, with respect to any case which comes before us for discussion, I receive recommendations and opinions from a variety of sources and it is my job to make discretionary judgments based upon those opinions. I would not single out any one agency.

Mr. Lawrence: A brief supplementary, Madam Speaker?

Madam Speaker: Order, please. The hon. member for Mission-Port Moody.

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SPORTS

FUNDING OF CANADIAN WHEELCHAIR SPORTS ASSOCIATION

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is to the minister responsible for fitness and amateur sport. All parties in this House today applauded the outstanding success of the Canadian wheelchair sports team at the recent Wheelchair Olympics in the Netherlands.

Since in 1978 the Canadian Wheelchair Sports Association was recognized by the government and granted funding for an executive director to be housed at the national sports and recreational office, and because the organization wishes to continue to work and strengthen its ties with the sports part of the organization—the sports delivery system, rather than through the recreation side—I wonder if the minister could assure the House that the government does not plan to revert to its previous policy of having wheelchair sports treated as a special group of disabled under Recreation Canada.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I will inquire into this matter for the hon. member. I have not taken any position along the lines he has indicated, and it appears to me that the present arrangement is a suitable one.

Certainly there are aspects of the involvement which are recreational in nature, but the fiercely competitive nature of the athletic events in which wheelchair athletes participate makes them very much sport and very much athletic events, and I think a very good argument can be made in relation to the present arrangement.

Mr. Rose: Madam Speaker, rumours persist that this group is going to be treated as a special group, and it is opposed to that. Can the minister tell us when the group will receive official notice from the minister's office as to whether there is to be an administrative change; and before any administrative change is implemented, will the group be consulted?

Mr. Regan: Madam Speaker, the question is hypothetical because I have indicated that I have not taken any such position. If any change is contemplated, there certainly would be consultation in advance and we would attempt to have agreement on any change which might be decided upon. However, I do not at this moment contemplate such action. I think we are all extremely pleased about how well the wheelchair athletes of this country have done, not just in recent competition but in general over the years.

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● (1500)

FREEDOM OF INFORMATION

NAMES OF MEMBERS OF CABINET COMMITTEES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Prime Minister. On April 22 government ministers in the Senate refused to release the names of members of the cabinet committees. In view of the commitment made by the government in the Speech from the Throne on freedom of information, would the Prime Minister overrule his ministers in the Senate and declassify the names of the members of cabinet committees?

An hon. Member: As we did.

Right Hon. P. E. Trudeau (Prime Minister): My understanding is that the names were published in the newspapers. If they were published correctly, I will confirm them. I have no objection to making them public.

An hon. Member: Would you table them?

Mr. Trudeau: The minister in the Senate was probably reflecting the previous attitude of the government which, as the hon. member will recognize, was changed in the Speech from the Throne.

Mr. Beatty: Will the Prime Minister undertake to table or to have tabled in the House of Commons the list of cabinet committees and their members?

Mr. Trudeau: Yes, Madam Speaker.

Order Paper Questions

[*Translation*]

WELFARE

POSSIBILITY OF BABY BONUS IN QUEBEC

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Can the minister tell the House whether or not her opposite number in Quebec consulted her about his plan to encourage the population growth in Quebec through a $240 subsidy to Quebec women? Does the minister intend to promote that program and recommend the financial participation of the government?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the Quebec government did not consult the federal government on that project and I hope it is no more than a trial balloon. We have received no information other than that supplied by the press to enlighten us on whether that baby bonus is a worthy cause. The real amount of money has yet to be established at which mothers are willing to have more children, and the projects submitted to me by other study groups in Canada dealt with sums of money, allowances to mothers in the months preceding the birth, but certainly not after the birth.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

NATIONAL RESOURCES AND PUBLIC WORKS

First report of Standing Committee on National Resources and Public Works—Mr. Watson.

LABOUR, MANPOWER AND IMMIGRATION

Second report of Standing Committee on Labour, Manpower and Immigration—Mr. Watson.

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

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 7, 11, 33, 44, 73, 167, 213, 286, 402, 622, 954 and 955.

[*Text*]

U.I.C.—COMPUTER CENTRE IN MONTREAL—INVESTIGATION OF POSSIBLE MISUSE

Question No. 7—**Mr. Cossitt:**

1. Did the RCMP investigate, prior to May 22, 1979, the possible misuse of the Unemployment Insurance Commission computer centre in Montreal, Quebec, by persons employed by the government on behalf of outside interests and, if so (a) on what date did the investigation commence (b) was it completed and, if so, on what date (c) did the investigation take long and, if so, for what reason (d) will the results be made public and, if so, on what date (e) will any charges be laid (f) was Key Data Canada involved in the investigation?

2. Were Mr. Robert Kingsley, former director of the Regional Payment Centre, Montreal, Quebec, and/or Mr. D. Mainville, former chief, computer regional director at the time involved and, if so, what part did they play in the incident?

3. Will the government confirm, by name and job designation, whether or not it has been determined that an employee of the UIC at the time received a swimming pool in return for his co-operation?

4. Will the government make public whether or not it was determined that certain employees were given twenty dollars in plain envelopes in an attempt to associate them with the venture and what are the names of those persons who took such envelopes?

Hon. Bob Kaplan (Solicitor General): 1.

Yes.

(a) October, 1977.

(b) Yes; September, 1978.

(c) Approximately 11 months; not an inordinate length of time.

(d) No.

(e) The Provincial Crown Prosecutor has advised that no evidence exists to support criminal charges in this matter.

(f) The only involvement by Key Data Canada was that they were bound by a contract with the Unemployment Insurance Commission to convert and computerize the UIC payment system.

2. Mr. Robert Kingsley and Mr. D. Mainville delegated three or four UIC employees to work on a part-time basis for Key Data to correct an error made by Key Data on a former contract with another government department. This was done in order to speed up the UIC conversion and it is felt that it was in the best interest of all concerned. These persons acted in an acceptable manner under the circumstances and no criminal activity was found.

3. An employee of UIC installed a backyard swimming pool at his residence. This person obtained a second mortgage on his home and a portion of this money was used for the purchase of the pool. This matter was thoroughly investigated and it has been established beyond all doubt that this person used his own funds for the purchase in question.

4. During the time of the conversion, the work force at UIC was reduced by approximately 60 per cent causing a great deal of hostility amongst employees. It is felt that this allegation may possibly have been made by disgruntled employees seeking revenge. Although some of the persons interviewed stated that they had received payments of $15.00 or $20.00, the

investigation uncovered no additional evidence to substantiate this allegation.

MR. MARK McCLUNG

Question No. 11—**Mr. Cossitt:**

1. Was Mr. Mark McClung a member of the RCMP and, if so (a) on what date was he appointed (b) what is his complete history with the RCMP, including whether or not he had any connections with the security service (c) on what date did he leave the RCMP and for what reason, including whether or not he was dismissed and for what reason?

2. What are all the subsequent positions in the public service held by Mr. McClung, including departments, salaries and dates?

3. Is Mr. McClung a member of the public service and, if not, on what date did he depart and what are all the reasons surrounding his departure including the causes?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State and the Solicitor General as follows: 1. Yes.

(a) Mr. McClung was engaged by the RCMP as a civilian employee, on a temporary basis, on March 5, 1951.

(b) Mr. McClung was initially engaged as a civilian research technician in the RCMP special branch. He became a permanent employee on April 1, 1952, a position he held until his resignation in December 1960.

(c) On December 23, 1960, he, of his own free will, terminated his employment with the RCMP to take up a position with the Glassco Commission on Public Organization.

2. November 1973-October 1976

SAPP appointment—PM 6—Education Research and Liaison Branch

Secretary of State; Salary range $20,565-23,372

October 1967-August 1973

Staff officer on Broadcasting Affairs, PM 6, office of the Under

Secretary of State; Salary range $12,917-14,678

April 1967-October 1967

Assistant director of research on the Royal Commission on the Status of Women in Canada, PM-6,

Secretary of State; Salary range $12,917-14,678

August 1962-April 1967

Group chief, finance officer 5,

Department of Finance Salary range $10,081-11,800

1960-1962

Researcher, Royal Commission on Government Organization

Salary up to $12,000

1951-1960

Researcher, R.C.M.P.:

Salary range $5,800-9,800

3. Mr. McClung is no longer a public servant, compulsory retirement, due to age, was taken October 16, 1976.

RCMP—FORMER COMMISSIONER WILLIAM HIGGITT

Question No. 33—**Mr. Cossitt:**

1. Did former RCMP Commissioner William Higgitt give testimony before the McDonald commission from notebooks in his possession and, if so (a) on whose authority did he keep such notebooks separate from regular RCMP files (b) were the notebooks kept in his residence (c) was it government policy to allow persons to keep private records of a sensitive or security nature in their possession after retirement and, if so, has this policy been changed?

2. Did any former RCMP official, including Commissioner Higgitt, ever advise the government, directly or indirectly, that they kept such records for purposes of "self protection" in the event that they were called upon at a later date to justify or testify in regard to certain incidents for which they would not ordinarily have files available to them?

Hon. Bob Kaplan (Solicitor General): 1. Yes.

(a) The notebooks contained the personal notes of Commissioner Higgitt kept by him during his term of office. Authority was neither sought nor given for Commissioner Higgitt to keep such notebooks. They were not, and ordinarily would not, be part of the regular RCMP file system.

(b) Yes.

(c) Although there has been no established policy with respect to the keeping of private records by civil servants, the government is now considering the development of clear guidelines in this area.

2. No.

GUY FAVREAU COMPLEX IN MONTREAL

Question No. 44—**Mr. Cossitt:**

1. Does the government intend to proceed with construction of the Guy Favreau complex in Montreal and, if so, what is the estimated cost involved at this stage?

2. Will the government consider not proceeding with the complex as a restraint measure?

Hon. Paul J. Cosgrove (Minister of Public Works): 1 and 2. The government intends to proceed with the implementation of the Guy Favreau complex in Montreal, Quebec. The most recent estimated cost is $100,000,000 (1978 dollars).

Order Paper Questions

INVESTIGATION—INFILTRATION OF SEPARATIST ELEMENTS

Question No. 73—**Mr. Cossitt:**

1. Did the RCMP or any department or agency investigate, or at present are they investigating, whether or not there are separatist elements that have infiltrated the RCMP and, if so (a) on what date did such an investigation begin and by which department (b) what are all the details?

2. Does the government have any knowledge of persons within the RCMP who have separatist sympathies?

3. Does the government have any knowledge of persons in the Public Service who have separatist sympathies or who actively support the Parti Québécois or the forthcoming Quebec referendum, in the affirmative, and, if so, to what extent and what are all the details of the government's plans to deal with the situation?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister and Privy Council offices and the Solicitor General as follows:

1 and 2. Internal security requirements and investigations are an ongoing concern of the RCMP. Such matters fall within the category of security operations, which, as a matter of policy, are not publicly commented on. If the hon. member has information concerning the possible "infiltration" of the RCMP by separatist or any other elements, it is recommended that he make it available to the Solicitor General of Canada or directly to the RCMP.

3. The Government of Canada does not consider sympathy or support for the Parti Québécois as a factor which would preclude employment in the Public Service of Canada unless the activity falls within the definition of political partisanship as defined in Sec. 32(1)(a) and (b) of the Public Service Employment Act.

U.S. CITIZENS IMMIGRATING TO CANADA—CANADIAN CITIZENS EMIGRATING TO THE U.S.

Question No. 167—**Mr. Cossitt:**

1. (a) How many United States citizens immigrated to Canada as landed immigrants in each of the past four years and what is the total of all the years combined (b) what were their main occupational classifications?

2. (a) How many Canadian citizens emigrated to the United States as landed immigrants in each of the past four years and what is the total for all the years combined (b) what were their main occupational classifications?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a)

1976	1977	1978	1979	Total
15,608	12,147	9,305	9,096	46,156

(b) Of the above totals, 18,515 were workers. The following is a table showing the intended occupations:

	1976	1977	1978	1979 *	Total
Entrepreneurs	329	112	39	28	508
Managerial, Administrative and Related	838	663	536	556	2,593
Natural Sciences, Engineering and Mathematics	400	269	199	221	1,089
Social Sciences and Related Fields	251	168	145	136	700
Religion	294	298	239	308	1,139
Teaching and Related	971	690	461	406	2,528
Medicine and Health	497	415	293	322	1,527
Artistic, Literary and Performing Arts	260	274	196	188	918
Sports and Recreation	37	28	30	34	129
Clerical and Related	612	538	445	524	2,119
Sales Occupations	244	221	162	191	818
Service Occupations	273	239	194	213	919
Farming, Horticultural and Animal Husbandry	93	102	89	102	386
Fishing, Hunting, Trapping and Related	2	4	3	5	14
Forestry and Logging	8	7	7	4	26
Mining and Quarrying Including Oil and Gas Fields	8	5	5	5	23
Processing Operations	73	42	36	44	195
Machining and Related	103	59	52	54	268
Product Fabricating, Assembling and Repairing	251	198	142	132	723
Construction Trades	334	233	159	131	857
Transport Equipment Operating	94	58	47	47	246
Material Handling and Related	28	10	9	7	54
Other Crafts and Equipment Operating	34	32	20	13	99
Occupations not elsewhere classified	136	166	162	173	637
Totals	6,170	4,831	3,670	3,844	18,515

* 1979 figures are preliminary estimates

2. (a) and (b).

The Canada Employment and Immigration Commission does not maintain any exit controls. Therefore, it is not possible to provide the number of persons who left Canada or their occupational classifications.

FOREIGN OWNERSHIP OF CANADIAN URANIUM

Question No. 213—**Mr. Herbert:**

Does the government intend to bring forward legislation placing controls on foreign ownership of Canadian uranium in light of the problems of foreign ownership facing the uranium industry?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: The government intends to control non-resident participation in the Canadian uranium industry and will be looking at alternatives to do so including introducing legislation which is specific to the uranium industry.

DE HAVILLAND CANADA INC.

Question No. 286—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of de Havilland Canada Inc?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on de Havilland (b) of loans, advances or guarantees extended by the government to de Havilland (c) investment by the government in de Havilland both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of

Industry, Trade and Commerce is concerned: 1. de Havilland Canada Inc.

	Year Ending May 31 1977	1978
Total Revenues	$1,459,197	$1,548,064
Net Income	$ 65,300	$ 99,974

2. None.

DE HAVILLAND AIRCRAFT OF CANADA LIMITED

Question No. 402—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of de Havilland Canada Inc.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned: It is assumed that this question refers to the company "de Havilland Aircraft of Canada Limited". Concerning "de Havilland Canada Inc.", see question No. 286 answered this day.

The de Havilland Aircraft of Canada Limited

1. (a), (b) $ 000,	Financial Year Ending May 31, 1978	Financial Year Ending May 31, 1977
Revenues or Sales	$124,774	$121,070
Pre-tax profit (loss)	1,624	4,499
Income tax (recovered)	(269)	1,834
Net profits (loss)	$ 1,893	$ 2,665

2. (a)	Fiscal Year Ending March 31, 1978	Fiscal Year Ending March 31, 1977
Research and Development	$7,896,523	$17,533,016
Capital Assistance and Source Establishment	12,415	166,666
	$7,908,938	$17,699,682

The Imperial Bank of Commerce requested and received a letter of comfort from the minister (effective date December 24, 1976) regarding a $70 million line of credit extended to de Havilland; it is not legally binding and its tangible value could only be determined by the measure taken by the government should the company default.

NOTE: All payments detailed above were made through the Defence Industry Productivity Program with the following conditions attached:

(i) Payments awarded for research and development were used mainly for the DASH-7 program and represent a 90/10 (government/company) sharing ratio. In this case, where the contractor was not able to make a 50 per cent contribution and a Crown contribution in excess of 50 per cent was provided, the contract entered into with the company contains a condition that repayment be made to the Crown as follows;

(a) 25 per cent of all profits up to 10 per cent realized from the initially supported project and/or follow-on production until an equal contribution to the project has been made by the company and the Crown;

(b) all profit in excess of 10 per cent until the total Crown contribution to the project has been refunded.

(ii) Capital assistance payments represent the total costs incurred in the purchase of capital equipment of an advanced nature; the company is required to reimburse the Crown 50 per cent of these costs over a five-year period.

(iii) Source establishment costs relate to pre-production with repayment contingent upon the profitability of the project supported (DASH-7), i.e., if the DASH-7 is successful, 50 per cent of these funds will be recovered by the Crown,

Funds were also received by de Havilland from the following departments and agency: Department of National Defence, Department of Transport and the National Research Council.

(b) Nil;

(c) Nil.

PUBLIC WORKS—NUMBER OF LAWYERS EMPLOYED

Question No. 622—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Public Works?

Hon. Paul J. Cosgrove (Minister of Public Works): There are no practicing lawyers in Public Works Canada on staff. There are presently three Department of Justice lawyers working at Public Works Canada.

CANADIAN WHEAT BOARD INFORMATION RELEASE—CONTRACTS FOR ELROSE BARLEY

Question No. 954—**Mr. McKnight:**

1. With reference to the Canadian Wheat Board information release dated March 6, 1980, was prior notification given to producers regarding contracts for Elrose barley being issued for the 1979-80 crop year?

2. Were the producers who assisted in providing barley for testing and development given information as to when contracts would be issued?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The March 6, 1980 Canadian Wheat Board information release refers to the 1980-81 crop year; not the 1979-80 crop year as suggested by the question. If Mr. McKnight is referring to the 1980-81 crop year, the answer is

no. Prior notification was not given to producers regarding contracts for Elrose barley being issued for the 1980-81 crop year.

2. Producers who assisted in providing barley for testing and development were not given information as to when contracts would be issued prior to the March 6 Canadian Wheat Board information release.

TESTING OF ELROSE BARLEY

Question No. 955—**Mr. McKnight:**

1. Were arrangements made for the testing of Elrose barley by the malting and brewing industry and, if so, what were they?

2. Where did the Elrose barley, used in the testing by the brewing and malting industries, originate and what are the names and addresses of the producers?

3. Was there any special compensation regarding the price for the Elrose barley used for testing development?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Yes, the Canadian Wheat Board made arrangements for the testing of Elrose barley by the malting and brewing industry. Being that Elrose barley was a newly developed variety and its brewing and malting characteristics under commercial conditions were not fully known, the malting and brewing industry agreed to select and test a number of carlots of Elrose barley produced in 1979.

2. The Elrose barley used in the testing by the brewing and malting industry originated in Alberta and Saskatchewan. The names and addresses of the producers involved are:

G. Boltezar,	J. Dyck Jr.,
Coaldale, Alberta.	Brooks, Alberta.
W. Copeland,	R. Lockwood,
Rosetown, Saskatchewan.	Outlook, Saskatchewan.

3. No, there was no special compensation regarding the price for the Elrose barley used for testing development.

* * *

[*Translation*]

STARRED QUESTIONS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be good enough to call starred question 876?

[*Text*]

*CPR—RAIL RELOCATION IN WINNIPEG—FUNDING

Question No. 876—**Mr. McKenzie:**

1. Will the government adhere to the 50%, 25%, 25% funding formula developed in the rail relocation act in funding the CPR rail relocation in Winnipeg?

2. Under the recommendations of the Dillon Study, "Rail Relocation Versus Grade Separation Program" was the federal contribution to be $84,301,000 and, if so, will the government meet this figure for the CPR rail relocation in Winnipeg?

3. In providing the 50% federal contribution, which department or departments will provide the $84,301,000 contribution?

4. What was the rationale used by the government when it arrived at the "five million a year for five years" formula suggested by the Minister of Regional Economic Expansion in the House on May 7, 1980 and what escalation formula will be adopted to allow for inflation over the five-year period?

5. On what dates will the departments be making their first payments toward the Winnipeg rail relocation project and what will be the dollar value of the payments?

6. Is the government satisfied that the project can be completed at the estimated cost of $168,602,000?

7. Would the DREE grant be made available under the condition that the full Winnipeg rail relocation project is adopted?

8. Would the DREE grant be made available under the condition that the Winnipeg grade separation project is adopted?

9. Are the Arlington and Salter bridges under weight restrictions and have recent engineering studies predicted that they will be closed in two years and, if so, will the DREE grant suggested by the minister be made available before the end of the two-year restricted period?

10. Will the government enter into negotiations with the city of Winnipeg to provide funding for grade separation before the Arlington and Salter bridges become impassable in two years time?

11. Will the cabinet be submitting its recommendations to the Treasury Board to provide the $84,301,000 for the allocation of the funds for the CPR rail relocation and, if so, on what date?

12. Will the funds for the CPR rail relocation in Winnipeg be diverted from (a) provincial (b) federal DREE programmes and, if so, from which programmes?

[*English*]

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, this is a rather lengthy answer. It is a reply to the question of the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). I am informed by the Departments of Regional Economic Expansion and Transport as follows:

1. The question is premature as no decision has, at this point, been made to fund the rail relocation project in Winnipeg.

2. The Dillon study compared the option of relocating the CP Rail facilities to the option of constructing the Sherbrook-McGregor overpass and other grade separations, on the basis of economic and other criteria. The report contains no recommendations.

3. See answer to part I.

4. The Minister of DREE was responding to the generally recognized need to reinvigorate the economy of the Winnipeg city core area. The "$5 million a year for five years" referred to the amount DREE might contribute to infrastructure to support economic development, and inflation in costs would be taken into account during project planning.

5. See answer to part 1.

6. This figure is the best estimate we have to date, for the yard and mainline relocation option.

7. The DREE assistance would be available provided that a plan for economic development and relief of disparity was undertaken which is acceptable to the city, provincial and federal governments. The DREE assistance would not be conditional on adoption of the full rail relocation plan.

8. The DREE assistance would not be conditional on the adoption of the grade separation project.

9. Information provided by Dillon indicates that repairs are under way for the Arlington Street bridge which would extend its life by two years under the present load restrictions (no trucks). Beyond that, the life of the bridge will be determined on a year to year basis. Weekly inspections are carried out by city staff. With respect to the Salter Street bridge, repairs completed this spring will extend the life of the bridge by about one year subject to weekly inspections by Dillon and city inspectors. The structure is subject to annual review for extended service under present load restrictions (no trucks or buses on the curb lanes, vehicles with six tires or less allowed on the inside lanes). Negotiations are already under way with the province of Manitoba and the city of Winnipeg for a Winnipeg core area initiative.

10. Yes.

11. See answer to part I.

12. There are no plans to divert DREE funds from DREE programs to rail relocation. The department is unaware of provincial intentions.

I ask, Madam Speaker, that the remaining questions stand.

Mr. MacKay: Madam Speaker, I rise on a point of order at this time which I should like to bring to the attention of the parliamentary secretary to the government House leader. So far in this session only one question of several which I have placed on the order paper has been answered. I want to refresh the hon. member's memory because not long ago he indicated that some of the questions which were asked by one of my colleagues should be put on the order paper. It appears that we cannot obtain answers to questions on the order paper.

In particular, I wish to draw the attention of the parliamentary secretary to notice of motion for production of papers No. 22, dealing with the bureau of physical resources in the Department of External Affairs, a study prepared by Professor Barnhill of Carleton University. This is a very important report dealing with the bureau of physical resources. It will indicate, when tabled, that the fiasco of Admiral Falls' expensive temporary assignment is only the tip of the iceberg. Definitely the study should be tabled in the House as soon as possible.

Mr. Beatty: Madam Speaker, I also rise on a point of order. I should like to draw the attention of the parliamentary secretary to question No. 970 which stands in my name and which was inserted in the order paper on May 23. This question asked what are the names of the cabinet committees and what are their functions, and second, what are the names of ministers who serve as members and as alternates on each committee.

In view of the fact that the Prime Minister has indicated that the government has changed its policy and has no objection now to allowing the public and Parliament to know what the composition of cabinet committee is, and in view of the fact that this question has been on the order paper now for some six weeks, will the parliamentary secretary indicate how much longer he thinks it will be necessary before the government can provide this information to the House?

Mr. Collenette: Madam Speaker, in answer to the last question may I say that, in view of the Prime Minister's answer today, I shall endeavour to obtain the answer very quickly for the hon. member.

In answer to the hon. member for Central Nova I should like to point out that we have answered over one-third of the questions to date, or 434. I indicated in the House last week that I was not pleased with the way notices of motions for the production of papers were coming along. I hope to be able to enlighten the House a little more tomorrow when I rise under that part of routine proceedings.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

● (1510)

HOUSE OF COMMONS

SIXTH ANNIVERSARY OF ELECTION OF MEMBERS OF CLASS OF 1974

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, I rise on a question of privilege because I did not want to let this very historic day go by without this being recorded some place. As Madam Speaker will remember, it was six years ago today that members of Parliament of the class of 1974 were first elected. I just wanted to bring that fact to the attention of the House and congratulate my colleagues who survived the first six years.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO PROVIDE COMPREHENSIVE ENERGY PROGRAM

Hon. Flora MacDonald (Kingston and the Islands) moved:

That this House deplores the Liberal government's indifference to the consequences of the global oil crisis and condemns its failure to provide a comprehensive energy program that would make Canada self-sufficient in energy.

She said: Madam Speaker, what the House is being asked to deal with today is a matter of urgency. Both the issue itself, that of international oil prices, and the increasingly limited, critical time frame that the government has to face up to this matter become more urgent with every passing day. Yet the government seems to be oblivious to the magnitude of the oil crisis, both in its international and in its domestic dimensions. Preoccupied as the government and its ministers have been

with a domestic pricing regime, it has failed to comprehend the threat that oil poses to the peace and security of the world and to international order as we know it. As a result, the Liberal government's inaction, its procrastination, its dithering, or call it what you will, daily compromises Canadian security, Canadian effectiveness in international organizations and Canadian flexibility in foreign policy.

Instead of showing its willingness to shoulder some of the responsibility to help rectify the situation, the government sends its ministers abroad to whine that Canada needs relief from an energy crisis not of its own making. But at the same time here at home ministers do Canadians the great disservice of trying to lull them into a false sense of complacency that no such global energy crisis exists.

Unfortunately several stark facts become daily more ominous. First, world oil production is not increasing, it remains static; if may even be decreasing. Second, world oil consumption and demand is going up, not down. Third, it is virtually impossible to switch overnight from the use of oil in such key sectors as transportation and heavy industry to the use of some new form of energy. It will take years of lead time to develop those alternative forms of energy and the technology to use them. Of course, in the meantime we will continue to be dependent on oil. Fourth, the struggle for these increasingly limited supplies of oil, even in the immediate future, will bring ever greater tensions between the eastern bloc and the western bloc, between underdeveloped nations and developed nations, and between suppliers and consumers.

These are stark facts, and all of these facts have been of increasing concern to thoughtful people in all countries of the world. But somehow or other that concern fails to penetrate the fog that substitutes for gray matter in the Liberal government. Indeed, it is only too true that they do not recognize the situation.

[*Translation*]

The Liberal government did not even concern itself with Canada's vulnerability in this crisis. Seven months have passed since they cheerfully did away with the preceding government's energy policies which would have demonstrated Canada's will to come to grips with the international oil situation and the government has done nothing but waste seven crucial months.

I do not think this will have surprised us for the same group has obviously lost the better part of its time during the last seven years, or since 1973, when for the first time the OPEC countries made their power known.

The Liberal government has not in any way recognized the international oil situation. Nor does it have any understanding of the mounting tension from the implications the situation has on the security of our nation and on our foreign policy.

[*English*]

There is no recognition by the Liberal government of the international oil situation, no understanding of the mounting tension it is producing globally, for the implications that has for our nation's security or for the effect it has on the conduct of our foreign policy. There are no proposals to lessen Canada's vulnerability to the insecurity of offshore oil, no thought that Canada should be in the forefront of nations committed to face the reality of the situation and to take immediate steps, albeit difficult steps, to alter our present course. There is no recognition, no understanding, no proposals, no thought, and certainly no sense of urgency on the part of the government that there is an international oil crisis which cries out for action by governments of all countries.

It is for these reasons that today we have introduced a motion that deplores the Liberal government's indifference to the consequences of the global oil crisis and condemns its failure to provide a comprehensive energy program that would make Canada self-sufficient in energy. Virtually nothing is as vital to the stability of the western world as secure oil supplies. Yet nothing seems so far from reach. By their failure to blunt the initiatives of OPEC or to develop their own energy resources, Canada, the United States and other oil importing nations have left themselves vulnerable to oil-fired crises that could be havoc-wreaking. These include internal revolutions in the Middle East, conflict over oil supplies and financial ruin for many countries.

This gloomy scenario comes not from some doomsayer, but from Walter Levy, one of the best-known independent oil consultants. His thoughts are outlined in detail in the current issue of "Foreign Affairs". Nor is Mr. Levy alone in his harsh warning to oil dependent nations. There is a growing urgency among informed sources that the western industrialized nations have so far failed to "bite the bullet", failed to see the oil crisis for what it is and to take appropriate steps to reduce their dependency on offshore oil supplies.

The International Institute for Strategic Studies in London, England, recently commented as follows:

> The west's most serious security challenge for the 1980s is how to assure the supply from an unstable third world of the raw materials on which its economic well-being, domestic stability and political cohesion has come to depend.

● (1520)

Those were words from the International Institute for Strategic Studies.

We all know that the most vital of the resources referred to is oil and that the most unstable area referred to is the Persian Gulf, which provides an essential part of the western world's oil supplies. In the world of today you cannot separate oil from security.

Recently the British secretary of energy warned of the dangers of regional and even global conflict as nations compete for oil resources. Last week in Moscow Chancellor Schmidt made the point that there could well be a worldwide struggle for the distribution of energy supplies. Indeed, the question of oil, its supply and security, has dominated world politics and international affairs since 1973. More and more, foreign policy objectives are inextricably linked to energy considerations.

This linkage was certainly made clear by former secretary of state Cyrus Vance at Harvard recently when he zeroed in on

the problems posed by declining domestic oil production on the one hand, and steadily growing imports on the other. Oil, he said, has the power to fuel inflation, undercut our trading position and determine the strength of our dollar. That is no mean feat for one commodity.

Vance warns that in meeting the energy crisis "we cannot rely on the genius of some economist with a new solution; we need acts of political will"; and he went on to predict:

If the United States and the other industrial countries do not act decisively to reduce our levels of energy consumption, and particularly our demand for oil, we will stand on the brink of economic disaster by the end of the decade—or sooner.

The International Institute for Strategic Studies in London warns of the security challenge oil poses; Mr. Vance warns of the economic disaster it threatens. The tragedy for Canada is that we have a government which lacks the political will to recognize and deal decisively with the energy crisis.

Seven years after the first oil embargo the Liberal government still has not produced a comprehensive energy policy; seven years after OPEC first demonstrated that oil could become a political weapon, a weapon no less strategic than missiles or bombs, the Liberal government remains committed to dependency on offshore oil supplies. It is this situation, this course of action, which my party condemns and deplores.

Some hon. Members: Hear, hear!

Miss MacDonald: The first oil crisis, the one caused by the OPEC embargo in 1973, came as a shock to western economies. Long used to cheap oil—$1.37 per barrel was the average OPEC price only ten years ago—our economies became used to, and dependent upon, large quantities of imported cheap oil. For Canada, the first oil crisis seemed remote; after all, we were then a net oil exporter. However, between 1973 and 1979 Canadian oil production declined by almost 25 per cent, from approximately two million barrels a day to one and a half million, and it is still falling. In the same period, however, while our production was falling our consumption went up by some 200,000 barrels a day. As a result we have become increasingly dependent on offshore oil—offshore oil that is no longer $1.37 per barrel but ranges between $28 and $37 per barrel. But our energy policy, both domestically and internationally, has yet to adapt to this drastically changed situation.

Is it any wonder the 1979 "Annual Review" of the International Energy Agency warns that the maintenance of a continuing and possibly increasing gap between Canadian and international prices will create serious distortions in the Canadian economy? The IEA puts it this way:

If self-sufficiency is not attained and maintained, new public sector budgets will have to take into account permanent and possibly very expensive subsidies.

It goes on to state:

Demand will be greater than otherwise and supply less, and this will be reflected in the balance of payments position. In the medium to long run, it is questionable whether any country can successfully isolate itself on energy.

That is the comment of the International Energy Agency, and the implication obviously is that the Canadian government has for far too long played the short-term game of trying to isolate itself from the reality of the world oil situation. This ostrich-like approach was evident in the comments of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) following his participation at the OECD meetings in Paris last month where much of the talk at that time was about energy. What did our Minister of Finance learn at those meetings? He learned there really is a crisis developing and that people outside Canada know about it. He said so in these words:

There seems to be a deeper consciousness in other countries than there is in Canada about the current world situation, and especially the impact of increased oil prices, and the possibilities of a slowdown worldwide.

Those were the words of our Minister of Finance. To think he had to go to Paris to learn that! To think he was so ill-informed he had not realized other western economies had long ago begun to take steps to reduce oil imports through conservation and consumer consciousness! To think he had not realized that the problem is not one of price alone but of supply and security of supply!

Even more serious, Mr. Speaker, is that the situation is likely to get worse, and it could become even more critical for any country which is dependent on offshore oil. There is a growing awareness that, for a variety of reasons, political, economic, financial and technical, OPEC production through the 1980s may be substantially lower than previous estimates have suggested, and the International Energy Agency forecasts serious shortfalls in production before the end of the decade. That agency now estimates that world production levels will not be higher through the 1980s than they were in 1979, and that is a change. These production levels will not be higher, so the very serious adjustment problems which were previously foreseen for the mid-to-late 1980s may well be with us now on a continuing basis and, what is even worse, in a climate of heightened political uncertainty.

The International Energy Agency reports that the anticipated global oil shortfall for 1985 appears likely to reach some three million barrels per day. By 1990, due in large part to declining availability of oil in the world market, the shortfall is expected to reach eight million barrels per day. I should add that these projections are based on the assumption that there will be no interruption of supply, either by further Iran-like revolutions or by oil producing countries deliberately turning down the tap. Yet just over the past weekend, the Iraqi oil minister, in a dramatic change of policy, joined Kuwait, Libya and Venezuela in calling for a limit on crude oil production among OPEC members.

● (1530)

The global shortfall of eight million barrels per day by the end of the decade is not the worst-case scenario, but rather one based on a comprehensive assessment of current realities—economic, political and strategic. Even if new resources were to come onstream, the lead time required to make them operational will take up most of this decade. So we are faced with a global shortfall of eight million barrels per day before we can even hope to bring on significant new sources of energy.

There are two additional frightening aspects to the present oil crisis. The first is the crushing burden oil imports place on the Third World, and the second is the danger to world stability as Soviet oil reserves begin to decline. With regard to the Third World, the International Monetary Fund calculates that this year alone OPEC will have a combined balance of payments surplus of some $115 billion, while the payments deficit of oil importing developing nations in the Third World will amount to $68 billion, an amount which these countries just cannot pay. The problems that these imbalances pose to the international financial system will be examined in greater detail by my colleague, the hon. member for Etobicoke Centre (Mr. Wilson).

There is also the question of the growing demand for oil by Third World countries. Some 90 of these countries presently consume four million barrels of oil a day. By 1990 it is estimated that their requirements will increase to 14 million barrels a day. So we have a situation where, at a time when the globe shortfall is expected to reach eight million barrels a day, these poorest of the poor countries will require an additional ten million barrels a day. Surely they will have the right to expect it and, indeed, they will demand it. The competition for scarce supply will be tough.

Second, and further complicating the picture, is the spectre of the Soviet Union going after oil supplies in the world market. The Soviet Union and its satellites are projected to shift from a net export position in 1979 to a net import position of at least one and possibly two million barrels per day in 1985, again at a time when a shortfall is predicted. Let us face it, Mr. Speaker: the Soviet Union will have to import oil and they cannot afford the large amounts of foreign exchange to buy that oil.

Analysing this situation, a U.S. intelligence report states that this—

> —sets the stage for an East-West competition for mid-East oil, adding yet another potentially destabilizing ingredient to an area which already has experienced wrenching political events in the past year or so.

The Soviet invasion of Afghanistan places the Soviet Union in an advantageous strategic position, both in relation to the oil-rich fields of the Persian Gulf as well as the important sea lane of the Strait of Hormuz, through which two thirds of the world's oil passes. Already through a blend of military build-ups, subversion and diplomatic initiatives, the Russians appear to be manoeuvring the oil producers into a position where they would offer to pay for Arab oil by bartering commodities or military hardware instead of paying hard cash.

If that does not work, strategically they are in a position to seize the oil. Let us not be naive in our assessment of the potential of the Soviet Union to cause mischief through covert blackmail and subversion or, worse, through overt military action.

A further dimension to the vulnerability of the western countries because of their dependency on mid-East oil is the way in which it has begun to circumscribe their foreign policy. As the *New York Times* recently editorialized:

> The cost of oil dependency cannot be measured only at the pump.

It is increasingly apparent in all aspects of foreign relations. We have seen that as new policies have been worked out between Saudi Arabia and the United States, and between Saudi Arabia and Denmark. It is as I have said: many countries will have to come to new foreign policies as the result of almost total dependency on mid-East oil and, in doing so, their foreign policy becomes hostage to their energy needs. However gloomy this is, it is the global reality.

We must ask ourselves: Where does Canada find itself as we enter this perilous decade? We find that our production of oil from conventional sources is down by 25 per cent in the past seven years, whereas our consumption of energy, and of oil in particular, is up last year alone by some 4 per cent. Knowing that our production was dropping and that our consumption of petroleum was rising, knowing that the previous Liberal government had doomed Canada to a course where it had to rely increasingly on imported, costly oil, the Clark government recognized that energy self-sufficiency was an objective we had to tackle with a sense of urgency. Indeed, the future of our country demanded no less.

As a government we saw the linkage between oil and security, between oil and foreign policy, and between oil and economic stability, so we undertook commitments in Tokyo which were designed to reduce Canada's dependency on off-shore oil. We recognized the dangers of further exposure that offshore demands would create and present to this country. At Tokyo we undertook, along with our summit partners, to limit our imports of oil through to 1985. That meant two things. It meant that we had to reduce our growth of oil consumption to 1 per cent a year, and that we had to initiate a comprehensive energy program that would ensure self-sufficiency.

The tragedy for Canada is that the Liberal government has abandoned this policy and these commitments. Whereas we had committed Canada to limit oil imports to 600,000 barrels a day by 1985, it is projected that without the comprehensive program we proposed, Canadian imports will reach more than 800,000 barrels a day by 1985. Whereas we had undertaken to reduce the growth of oil consumption to 1 per cent a year, it is now reaching 4 per cent annually. Whereas we had presented to the Canadian public a comprehensive energy program designed to make Canada energy self-sufficient by 1990, the Liberal government has proposed nothing.

Canada, under Liberal leadership, has decided that rather than be part of the solution to this international oil crisis, it will put the country in the position of being part of the continuing problem. If you want some backup for that statement, Mr. Speaker, just read the OECD report released today which says that Canada has the second worst record among 17 developed countries in trying to conserve and find new sources of energy. But that is exactly what the Clark government's energy program was determined to correct.

• (1540)

Today, there is no longer the same sense of urgency that we attached to the development of oil sands and frontier sources, to the creation of alternate forms of energy, to the building of

pipelines where none now exist, to incentives for energy substitution and, most importantly, to greatly increased emphasis on the need for conservation. We as a government knew that Canada had the potential to become energy self-sufficient and we set about doing so.

Our target for self-sufficiency was 1990. That is also the year the International Energy Agency forecasts that there will be a global oil shortfall of eight million barrels per day. The Conservative government had committed itself to making sure that Canada was not hostage to that shortfall, not to the prices it would impose, not to the insecurity of supply it would subject us to, and certainly not to the manipulation of our foreign policy that it would invite.

The Liberal government, not having worried about these things for the previous seven years, not having felt the need to come to grips with the international oil crisis, not having considered it necessary to work out a comprehensive energy policy for Canada, is once more bent on trying to delude the Canadian people into believing that the oil question is some mere domestic squabble contrived for partisan purposes.

In so doing, the government limits Canada's flexibility and credibility in foreign policy. Just ask any of the countries that were at the Venice Summit. It makes us increasingly vulnerable to the global struggle for oil, and denies to us the independence we have a right to expect and which energy self-sufficiency could provide.

Some hon. Members: Hear, hear.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it is an honour for me to take part in this debate and to speak after such distinguished parliamentarians as the former secretary of state for external affairs, the hon. member for Kingston and the Islands (Miss MacDonald) and ahead of the "charming" Minister of Energy, Mines and Resources (Mr. Lalonde). That is really quite an honour for a little fellow like me, Mr. Speaker, and I shall try to live up to it.

May I say that neither the former minister nor the present minister will be surprised if I disagree with them. I found a certain irony in the speech of the hon. member for Kingston and the Islands, especially when she focused on the fact that new foreign policies are needed in response to the global realities, the uncertain oil situation and the unstable world that we live in. I disagree with that. I do not think we need more new foreign policies but we do need a new domestic policy. As I listened to the hon. member I thought that Canada is surely one of the most fortunate countries in the world at the moment because, if we wanted to, we could become energy self-sufficient.

An hon. Member: That is what she said.

Mr. Waddell: Will hon. members just listen for a moment. If we were to become self-sufficient, we could be isolated as much as it is possible to be from the harsh realities of the world today.

I have just finished reading a little paperback book which I am sure many other Canadians have read as well. It is called "The Seven Sisters" by Anthony Sampson. It outlines the history of oil and especially the history of the oil companies. I will read the last paragraph which is very relevant to our debate today. In a postscript written immediately after the crisis of 1979, Sampson had this to say:

> But the problem of controlling the companies is only part of the broader question of national self-discipline and restraint. It is convenient for the western powers to use OPEC as their scapegoat, and to criticize the Middle Eastern nations for their reluctance to increase production. But the insatiable consumption of the west is putting those nations, particularly Saudi Arabia, in an impossible position with regard to their internal and external politics; and the only effective escape from a future oil crisis will not lie with increased Middle Eastern production, but with more serious western conservation and economies. The real lesson of the crisis can only be: we have met the enemy—it is us.

Today, I will focus on how we in Canada can become energy self-sufficient, and in that I think I am going to depart from the position of the other two parties.

I agree with the second part of the motion put forward by the hon. member for Kingston and the Islands that the present Liberal government has failed to provide a comprehensive energy program. But what else is new? They have had years in office but they have not produced an energy program, and I doubt if they ever will. The minister has tried to come forward with a program but it is riddled with inconsistencies.

Our past record of resource regulation and development in Canada is unworthy of us as a people. There has been a vacuum in public policy. We should not blame it on the world situation but instead should look at the enemy, which is here.

In the recent past we were told that we were rich in unused energy and that our main problem lay in finding buyers for the surplus. Now we are being told that shortages are on the horizon and that unless we pay big for these wonderful mega-projects, they are not going to get off the ground and we are not going to have any oil. We appear to be doomed to a perpetual cycle of shortages and foreign ownership, not surpluses.

Canadian governments, it seems to me, think like foreign-controlled oil companies. We have allowed our future energy reserves—not the stuff we have been using and have been giving away, but the oil sands, the Mackenzie delta reserves, the High Arctic reserves, uranium and coal deposits—to be controlled by the same corporations that control our present conventional resources. We have sold out our oil and now the minister and his colleagues are about to sell our natural gas by prebuilding the Alaska pipeline.

We all remember industry's claim in 1972 which was echoed by the then minister, Hon. J. J. Greene, that Canada's oil reserves would keep the country in a state of self-sufficiency not for one year or a decade but for hundreds of years. What did we do then? We exported three billion barrels of oil. Then we were told that there was a shortage. Now we are being told there is a gas surplus and that we will have to export it. In a few years' time no doubt we will be told that there is a shortage. That is the kind of policy that has been followed.

We have a clear continentalist oil policy. The seeds were planted long before the fruit of the 1961 national oil policy appeared, whereby eastern Canada would consume Venezuelan oil and western Canada producers would look to United States markets for their surplus production. Today we have a shortage of oil and pay $3.7 billion into the compensation fund, mainly for the Atlantic provinces. Because of that and because of the uncertainty of the oil situation, the government cannot bring down a budget and I suspect—although he probably would not agree with me—that the Prime Minister (Mr. Trudeau) is not going to get constitutional change without a settlement of the resource question, specifically an oil pricing policy.

We must have a new national energy policy and the basis of that policy must be to break away from the historic pattern of foreign control of Canadian resources. For the New Democratic Party this is the key to the problem. Unlike the other two parties we say that, to make Canada self-sufficient in oil and self-sufficient in energy, we have to break away from foreign control. We can be self-sufficient if we do that; that is the key. I hear my friend to the right asking me what our position is, and I tell him that I am outlining our position.

● (1550)

It appears that the position my Conservative friends are maintaining and articulating is that price is the key. That is what I pick up. I cannot figure out the Liberals; they are still in the muddled middle. The minister is still trying to squeeze by. I notice he is getting thin. He is going to be even thinner if he tries to squeeze by that Liberal energy promise to Ontario. If he could just get by this year, he might just narrow it down enough that it is not more than $4 a barrel for this year; then he can sock it to us next year. Yet I still say he is getting out of his promise to have a lower price than the Conservatives'. That is no energy policy at all. At least my friends to the right are prepared to articulate their policy.

I am saying that we have a third option or policy. We say that the Canadian people can move to self-sufficiency if a move is made to control the oil companies and the large energy companies in Canada. This will be a big challenge. Sometimes I look across the floor and see the minister and his colleagues from Quebec and admire the fight they made to get their rightful place in confederation. As a young English Canadian, I sometimes feel a little bored with my country, especially the English part because we do not have anything to fight for and we do nothing.

Mr. Munro (Esquimalt-Saanich): Speak for yourself.

Mr. Waddell: But we do have something to fight for. I have to fight in my own part of the country. What we are going to fight for is something that we can combine in English and French Canada, namely an energy policy by which we can take over control of our own energy industry. That is the future of Canada as I see it, and that will be the fight.

I have listened to the present debate. It seems to me that the Conservative party is continuously fighting the last election through their questions to the minister. There is much talk of the deal which the Conservatives had. I am not too sure they had a deal with Premier Lougheed. I have never seen a copy signed, sealed and delivered. Even if they did have a deal, it seems to me that we should not focus so much on what the price increase would be, but instead on where the revenues are to go.

As I understand it, the Conservative "arrangement" with Alberta, as I call it, would have raised the industry's revenues, which were already $13.3 billion over the four-year period between 1975 up to the end of 1978 and into 1979, to $33 billion. That would be their take from 1980 to 1983.

If we go back to 1920, Lloyd George said this:

> Oil profits generally seem to find their way by some invisible pipeline into private pockets.

And as Tommy Douglas would say: What the Conservatives were doing was taking money out of the consumer's pocket and putting it in the pocket of the oil industry. That is unacceptable to the country.

The revenue implications of these schemes that we are now talking about being negotiated are simply enormous. Let me go into that in a little more detail. It has been estimated that between 1980 and 1984 the excise tax would have contributed $10.5 billion to the federal coffers and the revenue sharing arrangements would be $17 billion. At the same time, the oil import compensation expenditure would have been almost eliminated. Alberta's royalties, which rose from $1 billion in 1974 to $2.6 billion in 1978, would jump to $5.3 billion in 1980 and to an astounding $11 billion in 1983. So over a ten-year period, that is between 1980 and 1990, that would result in an accumulation of $143 billion, or $79,000 for every man, woman and child in Alberta. I look at Canadians sitting up in the gallery. I hope some of them are from Alberta. It would be nice to have $79,000 for each person. That is a pretty high accumulation of wealth.

The transfer of wealth from the rest of the country would be much larger than this amount, including additional industry revenues, the share of the rent which the federal government spent in the producing provinces and likely the substantial secondary effects. Under almost any set of assumptions this scenario would result in rapidly rising double-digit inflation and a prolonged and more severe recession in the rest of the country. There would be lay-offs and plant closures.

It seems to me that Ottawa and Alberta are miles apart now and they are likely to remain so in terms of oil prices as long as Alberta retains its goal of linking domestic oil prices with world prices. It seems to me that both players have whetted their appetites by the kinds of numbers they are looking at. They each seek to force the other to make up the shortfall created by a different price scenario. I think the Conservatives' wild card of 85 per cent of the world price, which is the Clark formula, has unfortunately raised everyone's expectations.

I want to focus for a moment on the supply situation in Canada because the next five years will be crucial. Imports in 1985 could easily be triple their present level. We could easily

fail to meet our Tokyo target of oil imports of 600,000 barrels a day. Alberta has delayed approval of Alsands and the Cold Lake developments until a pricing agreement is reached. Hibernia, on the east coast, may be very promising but it is unlikely that oil will start flowing before 1986. Conventional oil supply, which presently constitutes 95 per cent of total production, will fall to 50 per cent in ten years; perhaps even to 25 per cent in 20 years. Frontier and non-conventional oil will rise rapidly in absolute and relative importance.

A minute ago I mentioned that price negotiations were going on. One of my concerns is the confrontation tactics used in the negotiations. I am not sure that the Minister of Energy, Mines and Resources opposite really wants an agreement. I am not sure that the Premier of Alberta wants an agreement. Hon. members will notice that everyone in this game benefits, but I ask, who is it that benefits? The Prime Minister benefits for being a strong centralist. Premier Lougheed benefits at home for sticking up for the population. Premier Davis can win another election in Ontario by sticking up for lower prices and putting it to his Conservative brothers and sisters in Ottawa. Everybody benefits—that is, the big boys benefit. But who loses? The answer to that is the Canadian people. I think that is the problem on which we should focus.

I will now suggest to the minister a basis for negotiating the oil price increase. It seems to me that everybody has a real interest, not just a confrontational interest but a real one. The minister and the federal government need more money. An energy program is needed. Regional disparities need to be reduced. Canadians can agree with that. Provincial governments need to have protected the principle that resources belong to the provinces, and Alberta is quite right about that. More money is needed in Alberta because oil is a depleting resource.

Despite my rhetoric a moment ago about there being $79,000 for every man, woman and child in Alberta, nevertheless that situation will only last so long. Money will be needed to put in alternate programs, industrialization programs. But the Canadian people have an interest because they are the masters and not the servants of highfalutin ministers. They need a secure supply. They know that higher prices are regressive. But higher prices themselves are an argument for redistribution of income, as Amory Lovins said, not necessarily against higher prices. They know that if there are to be higher prices, they will pay higher prices. Then the government have to get some of that money back to the people. It has to be made easier to replace oil with gas or other resources.

Therefore, there can be an agreement. Let me suggest to the minister that the agreement be in these terms. First, that the price goes up. It is not important whether it is 18 cents, 16 cents, 14 cents, 12 cents, or whatever. It should go up substantially, but in steps in order to protect Ontario industry. The second principle is that that same money go back to the people directly in reduced income tax. It could go back into their own pockets. Third, Alberta could get more money. Fourth, the federal government could get more money. The federal government should not use the money for a mortgage interest deductibility program to benefit the better off, but for an industrial strategy for Canada. Finally, there could be a joint fund between the provinces and the federal government invested in energy alternatives, transit and buying back industry. We do not want it all to go to the federal government because we know what they would do with it.

• (1600)

The Canadian people would accept this because it is equitable. I have just returned from Alberta where I was told that the minister is not negotiating seriously. They have their own axe to grind, but Alberta would accept these kinds of suggestions.

My colleagues will speak further on alternatives, probably the real future in energy. We cannot continue to go at the same apple. As Solzhenitsyn said, 12 worms can only gnaw at the apple for so long before it goes. We must find alternatives. We in the New Democratic Party are going to set out as well in the future the position that the money from increased energy prices should go to the federal and provincial governments, but not a penny to the oil companies because they do not need it.

Let me bring my remarks to a conclusion.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but his time has expired. He may continue with the unanimous consent of the House.

Mr. Knowles: One minute.

Mr. Nielsen: No, Mr. Speaker. In order to have the greatest number of speakers participate in the debate, I believe that all members should abide by the 20-minute rule.

Mr. Waddell: I recall on a previous occasion suggesting that the hon. member get extra time, the very member who just spoke.

Mr. Deputy Speaker: Order.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am indeed pleased to participate in this debate. I appreciate the fact that the hon. member for Kingston and the Islands (Miss MacDonald) has put this particular motion on the order paper. I have noticed, however, that the official opposition carefully avoided making it a motion of confidence. I can understand, with their own record of dealing with energy, why they would not make it a question of confidence.

Mr. Nielsen: That's cheap.

Mr. Lalonde: Today we have the hon. member for Kingston and the Islands coming forward with a motion endeavouring to condemn the government for its "failure to provide a comprehensive energy program". The government is very pleased that two prominent members of the opposition have raised the question of energy since the House opened. The first time was within the first month of this government coming to office, and

again today two months later. The first time it was put forward by the energy critic and today by the hon. member for Kingston and the Islands. I wish that the government of which these two able members were a part would have attached the same importance to the question of energy when they were in office.

If we are going to talk about failure, as this motion tries to do, the dismal failure of the former government in the field of energy should be what this motion refers to. If we look back at the main elements of the energy policy of the previous government, essentially it was socking it to the consumers in that famous budget that was defeated by Parliament and which raised such an outcry in the country.

Second, it was to try and dismantle, dilute, dissolve, and I do not know what other verb to invent when referring to the so-called energy policy of the previous government vis-à-vis Petro-Canada, the only major Canadian institution set up in the last few years in the field of energy which has proved to be of such great significance in the few years it was in operation.

The hon. member spent a lot of time talking about the international energy situation. The only contribution the previous government made to this very delicate international energy situation, and particularly to the protection of Canadian interests in that regard, was their famous proposal to move the Canadian embassy to Jerusalem. That had the effect of Canada being blacklisted by every Arab country. It put us in a very difficult situation vis-à-vis OPEC. This situation was something the new government had to work at repairing as soon as it took office. That is the type of background that the previous government left us and it is the context in which we took office.

The hon. member referred to the international energy situation. What she described is established by many publications and authorities, but I submit that it is nothing new; it has been with us for several years. If the hon. member has bothered reading even the government documents of 1974 and 1976, she would have found in those documents as well as the studies made public at the time, such as the major study published by the Department of Energy, Mines and Resources in 1976 entitled "Energy Future for Canadians", that all the facts she referred to today in terms of the international crisis were referred to in those documents and put forward for examination by Canadians by the previous Liberal government.

The member from the New Democratic Party stressed the importance of dealing with the matter in Canada. He pointed out a very important fact, the exceptional and very privileged situation in which Canada is.

[*Translation*]

I am convinced Canadians are not unaware of the world energy crisis but I think they are truly aware of the particularly privileged situation in which Canada finds itself. If we have a crisis in Canada, it is not an energy crisis. Canadians know that, despite any speech the hon. member may make. Canadians know basically that Canada is extremely rich in terms of energy resources, that considering its population, Canada is undoubtedly the most privileged country in the world in terms of energy resources.

Today and for years now, Canada has been in a position of being not a net importer of energy but an exporter of energy, year after year. We are still today, even in the area of petroleum products, that is if you include gas and oil, a net exporter of petroleum products, a very large exporter, and I am talking about several net billion dollars of exports of petroleum products. I am not talking of exports of electricity or coal which, according to all forecasts, are going to increase considerably in the coming decade.

So Canada actually finds itself in an extremely favoured situation, an extremely privileged situation, a situation that is the envy of all industrialized countries with which we are in competition. However, we are facing a problem with respect to oil. Our oil production is not sufficient to meet our needs and, at the present and for several years already, we have had to import a large part of our consumption. We are now importing about 25 per cent of our domestic consumption. That situation is, of course, not very favourable. It is not a situation that we are very pleased to see developing but it is not, on the other hand, an insoluble situation—it is a situation that Canada can indeed meet in the coming decade. There is no doubt that Canada has not only the human resources but also the financial and physical resources to achieve total energy self-sufficiency, including oil self-sufficiency during this decade.

● (1610)

[*English*]

In order to achieve this energy independence during this decade, since the government took office it has worked very hard to put back in shape the energy policy which the previous Conservative government spent so much time attempting to dismantle rather than developing an energy policy of its own. As the hon. member should have known, the previous Liberal government established a policy in 1974 and then in 1976 which is quite clear and which is a matter of record. It is an energy policy which has been the envy of the OECD countries and which has been referred to by many other countries as a policy which they would have liked to be in a position to follow. Unfortunately, they were not in a position to follow it, and for a very good reason. They did not have the privileged situation Canada had, that is, of being able to rely on vast resources in the field of energy, even though we have to import part of our petroleum requirements.

When the Tories were in office we had the problem that 25 per cent of our oil requirements were imported. The result of that was that the Tories tried to resolve the problem by tying Canadians to having to pay 85 per cent of international prices, whatever they were, on all Canadian domestic consumption, including the 75 per cent which was produced domestically. We rejected that Tory policy. The people of Canada rejected that policy, and rightly so. As soon as we were elected and could recall Parliament, we presented to Parliament on April 4

in the Speech from the Throne the basic elements of the energy policy we intend to follow.

Mr. Knowles: April 14.

Mr. Lalonde: April 14, yes. I believe that is what I said.

Mr. Knowles: You said April 4.

Mr. Lalonde: I am sorry. If I may be allowed, I might refer hon. members to the elements of that energy policy. The first element is that an energy policy is critical to the success of the country's economic policies, and therefore we cannot have an economic strategy or an energy policy which would ignore the impact of energy decisions upon inflation, unemployment, regional development and money transfers in this country. We could not have an energy policy which would be developed in some kind of vacuum whereby we would have in the end slower economic growth, more unemployed and much higher inflation than Canada needs to have. That is a basic element of our energy policy.

The second one is that the price of Canadian oil must be based upon Canadian conditions and circumstances and not upon the vagaries of a turbulent and unpredictable world market. The last Summit of seven heads of industrialized countries in Venice condemned the recent increases imposed by OPEC as being intolerable, unnecessary and excessive. We have decided that the prices which would be established in Canada for Canadian consumers would be based on Canadian costs and Canadian conditions and would not be tied to the cartel-type of pricing which OPEC decides.

We have also indicated clearly that the made-in-Canada price for oil we are proposing will result in a lower price to consumers than the one which had been proposed in the budget of the previous administration and which had been rejected by Parliament and by the people of this country.

We have indicated, in addition, that a petroleum auditing agency will be established to report on the financial situation of petroleum companies and to administer criteria relative to Canadian ownership objectives. We have also indicated that we must reduce our dependence on imported oil by promoting conservation and by stimulating the production of new domestic energy supplies. We have also indicated that conservation measures will be designed and promoted relative to transportation, home and industrial use. We have also indicated that steps will be taken to encourage consumers to switch from oil to natural gas or electricity for home heating, and other steps will be taken to encourage more rapid substitution from oil to other energy sources. Finally, we indicated in the Speech from the Throne that Petro-Canada will be maintained and expanded as an instrument of public policy.

A new Canada oil and gas act for all the territories and offshore properties under federal jurisdiction will provide for increased exploration activity. It will also be designed to promote Canadian ownership and Canadian objectives.

An alternative energy corporation will be created to stimulate the development of new and renewable energy resources to replace oil, and Canadian companies and investors will be given opportunities to involve themselves more heavily in the energy field. The government has set the objective of a 50 per cent Canadian ownership target for the petroleum industry by 1990.

In the few short months we have been in office a number of decisions have been taken on each and every one of these subjects toward the implementation of these policy objectives, and I would like in the few minutes at my disposal to refer to some of them.

In the area of energy conservation I have already had the opportunity to sign three agreements. The first was with the minister of energy for Saskatchewan, then with the minister of energy for Manitoba and lastly with the commissioner of the Northwest Territories. These agreements deal with energy conservation and renewable energy technologies. In these three agreements we have agreed to spend several tens of millions of dollars among ourselves to promote energy conservation and new renewable energy technologies in the various provinces.

There has been a conference between the Minister of Industry, Trade and Commerce (Mr. Gray), on behalf of the federal government, and industry on energy conservation. That conference covered about 80 per cent of industry energy use, and at that conference there were reports from 15 different task forces set up by different sectors in response to a call issued to industry by one of my predecessors, the Hon. Alastair Gillespie. Fifteen different task forces have been set up, and they reported on the first five-year program which had been set up. We were pleased to see that industry had not only met its target of energy conservation, but had overtaken that target substantially. We got industry to commit itself to another five-year program of additional energy conservation. In this respect we have done as well as, and I would say even better than, any other OECD country in terms of co-operation with industry.

● (1620)

We have also extended during the past several months the Canadian home insulation program which probably has been the most important and successful of all conservation initiatives; and at present we are continuing research and preparation for a retrofit oil furnace program to improve the efficiency of home heating units. We are designing automobile mileage standards at present, and that measure will soon be brought forward before the House. The alternate energy corporation has been announced and a budget of $20 million has been set aside in Petro-Canada to cover the initial cost of that corporation. At present we are interviewing candidates to run that corporation, which we intend to set up in the near future.

While I am speaking about Petro-Canada I might also mention that one of the first things we have done since we have been in office has been to reassure the Canadian public that this government stood fully behind Petro-Canada. We intend to make PetroCan an even more significant instrument of energy policy in this country. As soon as we took office, we reinstated to the budget of Petro-Canada the $80 million

which the Conservatives had cut from that corporation when they were in office.

Some hon. Members: Hear, hear!

Mr. Lalonde: Petro-Canada has been very active ever since it has been shown that it has the support and confidence of the government. It announced in the last few weeks a project for a fourth tar sands plant with Alberta Gas Trunk Line Company, a project which could cost as much as $10 billion. This is the first totally Canadian-owned project in the tar sands area. This has been done thanks to the initiatives of Petro-Canada in co-operation with the Alberta Gas Trunk Line Company.

Petro-Canada also announced during the course of June three drilling programs in the Labrador Sea, and it is now the operator for a number of other companies in that frontier area which has a high discovery rate as compared to other frontier regions.

I should like to say a word now on oil and gas pricing; some of my colleagues have referred to it. I have indicated what our target is—a made-in-Canada price which will give all Canadians one uniform price at a level well below international levels.

In March I also indicated that, in order to achieve this target, I had the intention of invoking the *force majeure* clause in the tar sands projects, particularly the Syncrude oil sands project, in order to arrive at a cost to Canadian consumers for that oil, which will make it more and more important to arrive at a price which reflects the real economic cost of developing incremental oil supplies.

While discussing this matter with the government of Alberta, I indicated that we are continuing to pay compensation payments, subsidies which were provided under the previous agreements to the level of international prices. However, one area, which is probably even more important than the question of pricing itself in relation to the problem raised by this motion, which is security of supply, is the whole question of conservation. Because if there was one problem with the previous Conservative policy, it was its almost exclusive reliance on price as an instrument of policy in this field. It was what I would have called the baseball bat approach to energy policy: hit the consumer hard enough that he will not be able to afford the oil he needs.

In effect, there are many other ways of dealing with the problem. One has to do with conservation; the other has to do with substitution. I have already announced in the first few months since we have been in office a number of decisions by this government in order to move people to switch their consumption of energy from oil to other forms. In May I announced the government's policy and the government's goal to reduce the residential, industrial and commercial use of oil in this country to 10 per cent of their net energy requirements. The policies that we have under way and the others that we will announce shortly will permit attainment of this objective in most oil consuming sectors and areas within a decade.

Let me point out that to reduce oil use to 10 per cent would save about 150,000 barrels of oil a day in the residential field alone, another 150,000 in the industrial sector, and 75,000 in the commercial area, for a total saving of about 375,000 barrels a day in this country. At present the oil share of consumption in those fields is about 32 per cent. I am convinced that we can, without any harm to our Canadian consumers and Canadian industry, reach that 10 per cent level within the decade.

We also indicated in the Speech from the Throne that we were favouring the earliest possible construction of a natural gas pipeline to Quebec City and the maritimes.

[*Translation*]

During the weeks which preceded today's motion, I had already had the opportunity to announce the decision of the government to approve the recommendation made by the National Energy Board to support the development and approve the immediate construction of a gas pipeline to serve the entire province of Quebec. The first section of this pipeline will go as far as Quebec City, and various branches will then supply the entire province so that the citizens of Quebec will be able to use natural gas rather than heating oil, which is much more expensive.

[*English*]

We have also indicated that the extension of that pipeline to the maritimes remained the preferred option of the present government, and we have been in touch with the sponsors of this project to review the reservations that have been expressed by the National Energy Board and to see what further steps are required to ensure that the maritime provinces will have sufficient gas available to meet their needs, whether that gas comes from the west or whether it comes from new discoveries in and around Sable Island.

Those measures of substitution which have been already announced are only some among others and I should like to mention another one which is of great significance. It has to do with making much better use of residual fuel oil in this country. During the month of May I announced that I have reached an agreement with the five refining companies to instal upgrading facilities in their plants which would provide a capacity to make better use of about 125,000 barrels a day of residual fuel oil. This will not only lead to the production of premium fuel, such as gasoline or heating oil, instead of unwanted and surplus heavy fuel oil, but it will also make way for natural gas and provide for a more efficient use of our total domestic and foreign petroleum supply. The net result again will be a reduction in our dependence on oil imports.

In terms of volume, these measures are the equivalent of the net addition to our oil supply which would be made by a $68 billion tar sands plant, and yet through the set of investments in the refineries which I have announced, Canada is getting this kind of production at half the cost and about three years sooner than it would come from a tar sands plant. I do not think there is a more telling rebuttal to the argument that only

through a pricing mechanism can we increase our total oil supply.

● (1630)

In the field of international energy, Canada has not been dragging its feet. In the last few months since we have been in office, I have had the opportunity of attending the ministerial meeting of the governing board of the International Energy Agency in Paris, of attending the Venice Summit and of meeting several times with my colleagues, the secretary of energy for the United States, the Australian minister for national development and energy and the Japanese minister of energy. We had the privilege of the visit of the Saudi Arabian energy minister, and I had the privilege of meeting with the minister of energy for Algeria, who at the present time happens to be the president of OPEC.

These meetings and discussions which have taken place with the representatives of those various countries achieved good results for Canada. Certainly as far as OPEC and the Arab countries are concerned, I think they have helped in re-establishing the normal relationships which existed and should have continued to exist between our respective countries but unfortunately had been seriously damaged by the foolish steps in the field of foreign policy of the previous Conservative government.

I should like to summarize the various initiatives taken by the government during the past four months under three broad objectives. The first is to achieve energy independence, which we believe can be done during this decade. As I have noted, this goal is being achieved by conservation measures particularly directed toward oil. Also I have cited measures to substitute other forms of energy for oil. There are major incentives for enhancing energy supplies, and we will be going further in this direction when the oil pricing negotiations and revenue sharing questions are settled. We continue to have strong research and development activity in this country, particularly directed to our unique conditions of climate, terrain and location.

Also I have spoken of the government's oil pricing policy, and closely associated with this is the objective of ensuring a distribution of benefits from oil and gas revenues to all Canadians. As I noted before, we want a revenue system so structured that as prices rise the national government will get the share it needs to carry out its national responsibilities. We need to have a national government which will have not only the powers but the resources to ensure that regional disparities in the country are not going to become excessive.

Also our pricing policy very much reflects the right of producing provinces and corporations to a fair return for their resources and their investment, as noted in the Speech from the Throne.

The Speech from the Throne placed considerable emphasis on the specific goal of at least 50 per cent Canadian ownership of the petroleum industry by 1990. The objective is to enable Canadians to participate in their energy industries.

The central issue in the matter of a Canadian energy program is how the costs and benefits of developing and using energy are shared among Canadians. The government's objective in each one of the projects I have outlined today—and there are many more—is to ensure a fairness in the complex process of harnessing energy supplies.

[*Translation*]

The Acting Speaker (Mr. Blaker): Order, please. Before recognizing the hon. member for Joliette (Mr. La Salle), I should like to deal with the proceedings on the adjournment motion this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Public Service Superannuation Act—Request for measures to correct unfairness—RCMP provisions; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Shipbuilding—Reduction of subsidy—Comparable program of assistance; the hon. member for Algoma (Mr. Foster)—Employment—Programs to create jobs.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO PROVIDE COMPREHENSIVE ENERGY PROGRAM

The House resumed consideration of the motion of Miss MacDonald:

That this House deplores the Liberal government's indifference to the consequences of the global oil crisis and condemns its failure to provide a comprehensive energy program that would make Canada self-sufficient in energy.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I wonder whether it would be in order if I were to pose a question to the minister. I think he had further time remaining in his speech. If I am in order in posing a question, and if the minister will answer it, I should like to ask one.

Mr. Lalonde: Yes, the hon. member can ask a question.

The Acting Speaker (Mr. Blaker): Order, please. I regret to inform the hon. member that the minister has used up his time. The practice has been that sometimes a member or minister can take questions if he has time remaining. But since the minister used up his time, I cannot permit a question.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, first I would like to thank my colleague for Kingston and the Islands (Miss MacDonald) for giving us the opportunity to make very important comments on the energy situation. I would also like to say once again that I support the proposals that we have already made. I am quite certain that time will prove these proposals to have been quite reasonable.

At the same time I was rather surprised to hear the minister repeat his energy policy. Of course, he was referring to the throne speech which contains proposals which I believe we heard as far back as seven or eight years ago. When the minister said today unhesitatingly that there was no energy crisis, I believe he should have said that there is no hydroelectric crisis because we indeed have a surplus of this type of energy.

However, by making a simple calculation, we can see that this government has been in power 14 years and five months during the last 15 years. So I do not think that we can be blamed any longer for that lack of energy policy and that lack of foresight. In the circumstances, I think that talking as he did today the minister has demonstrated to all Canadians his incredible failure, the failure of his government to provide any measure, to have any foresight and to give any guarantee to Canadians when he confirmed, with regret of course, that we are still importing 25 per cent of our domestic consumption. He deplores it, of course, but what has been done during all these years? Today he comes with the same proposals that we have already heard, and that have not been implemented for political reasons. I remember very well that within a few months we had to take strong measures because of the inaction of a government which did not take the present situation seriously.

And the minister responsible does not hesitate to accuse the former government of having attempted to mislead the consumers because, Mr. Speaker, we had proposed measures which took reality into account, and which required courage, to put Canada back on the road to prosperity and reach all the objectives mentioned today by the minister, self-sufficiency and, of course, benefits for Canadians. Did we have to pay because of the failure of the previous government to do its job and take its responsibilities?

We had to present a budget and I think that we were trying to shoulder our responsibilities. We were not taxing those who are not using gas and this was important. I look forward to the next budget of the Minister of Finance (Mr. MacEachen) as the right hon. Prime Minister (Mr. Trudeau) is still not able today to assure us that he rejects the idea of deindexation.

Therefore, Mr. Speaker, the least we can say about the dubious situation in which the government finds itself is that it is the result of a Liberal and New Democratic conspiracy—we should not forget—to have Canadians believe that they could avoid higher oil prices more in line with international prices. I do not think there is anything new in this respect. How could anyone believe that the Liberals were sincere when for three or four years, if not six, they themselves had warned Canadians that the current oil subsidization program could not last forever and that sooner or later consumers in this country would have to pay for their oil at prices comparable to those of European, Japanese or American consumers?

● (1640)

Even the New Democrats, playing it both ways, had admitted the necessity of a price increase but they let Canadians believe that through some sort of miracle they could elude the fate of citizens of other industrialized countries in the free world. The New Democrats paid a stiff price for their complicity with the Liberals, Mr. Speaker, for not only were they frustrated in their own attempts at substantial electoral gains in Ontario, but they also favoured the re-election of the Prime Minister whose defeat they pretended to engineer. The New Democrats repeated their stupid tactic. In 1972, rather than give the Progressive Conservatives a true chance to show their stuff and find solutions to the practically insoluble problems they had inherited, the New Democrats sealed their pact with the Liberals. They simply put back at the helm the very people they pretend to attack publicly but whom they go on supporting and helping underhandedly.

Today the New Democrats are shocked that the Liberals are not keeping their more recent electoral promises, particularly with respect to oil, but could they give just one example of a situation in which the Liberals did not cheat the people, play on words, invent simplistic slogans, give out complicated formulas that no one understands or has any way of corroborating? Is the Liberal approach to the oil price issue not confirmation of their double dealing? The famous Canadian formula is but a lure which they used to regain power but already there are a number of indications which lead us to believe that in the long run the price Canadians will eventually have to pay for their oil will be the same as, if not higher, than the one foreseen in the budget submitted by my colleague, the hon. member for St. John's West (Mr. Crosbie) and this in the wake of I do not know how many denials, including the solemn promise made by the Prime Minister at the Bonn conference to spare no effort to see that Canadian oil prices would rise to international level. And all this while shelving the understanding between the Clark government and the Lougheed government, and doing nothing to avoid a new political crisis that might mean the end of Canada itself.

Indeed, the silence of the Prime Minister during the campaign should have alerted Canadian consumers to the sell-out being prepared. The Prime Minister and the Minister of

Energy, Mines and Resources (Mr. Lalonde) were careful at that time not to give details of the famous made-in-Canada price they wanted to establish for oil. They were careful not to suggest that one of the means they intended to use was quite simply a probable infringement upon the constitution, laying their hands on Alberta's, Saskatchewan's and British Columbia's oil and gas resources.

What guarantees have we that, if the Liberals succeed in overcoming these three provinces, they will not tomorrow launch an attack on Quebec's hydraulic resources, and later undermine Ontario's industrial and mining potential, for the benefit of the central government? These are questions we should ask ourselves now. The proof is that in respect of Atlantic provinces, they want to shelve the generous Progressive Conservative policy and to recoup for Ottawa's sole benefit the control over offshore mining resources. The Liberal conspiracy to lure Canadians takes various forms, Mr. Speaker. In general, they avoid resorting to outright lies that would be too gross to be believed. Most of the time, they are content with half-truths, or if you will half-lies, subtle understatements or again, quite simply, mute silences.

The Liberals have a very particular propensity for the tactics of silence. That keeps them from having to give their constituents explanations which could put them in a disadvantageous situation. Indeed the example comes from the high circles. Did the right hon. Prime Minister himself not hide from Canadians, when he was asking them for his first mandate in 1968, that his true objective was to centralize federal powers even more in Ottawa? As everyone can see, bad habits are not easily lost. Not only have the Liberals misled the Canadian people by luring them with the possibility of freeing the country from international constraints in oil prices, but they have to be held directly responsible for the instability of our own energy supply sources. They have always ridiculed, verbally and in their policies, the energy self-reliance objectives which the Progressive Conservatives have been advocating for quite a long time. They have allowed the situation to get so bad as to force us to pay high prices to foreign suppliers while the present government refuses to Canadian producers the price it pays to foreign sources without raising an eyebrow.

Nobody is blaming the government for having created in 1974 a subsidy system to help Canadian consumers adjust to the price increases which were dictated by OPEC. But what should have been a temporary policy became a permanent policy. The most direct result of that lack of foresight and courage of the government is that Canadians continued to delude themselves, thinking that they could inconsiderately waste oil and pay indefinitely a price which is below the international level. Another result, Mr. Speaker, is the incommensurable increase in our balance of payments deficit and the ensuing pressures on the Canadian dollar. Finally, we should realize that if the price of Canadian oil had reached the international level as early as 1975 or 1976, billions of dollars could have been invested in exploration for new hydrocarbon sources and new renewable energy sources. In order to gain electoral benefits in the short term, the Liberal party will have contributed to weaken the Canadian economy, to deceive consumers on the necessity of a sharp rise in the price of oil and at the same time it will have aggravated tragically our dependence on foreign energy sources for our supplies.

Further betrayal of the oil consumers by the Prime Minister and his government: did we not hear him, during the last election campaign, praise the merits of Petro-Canada of which the Minister of Energy, Mines and Resources spoke just a while ago? Did we not hear him say to whomever wished to listen to him that Petro-Canada would become the cornerstone of the policy on exploration and development of new sources of energy in Canada? What happened? In a reply to the leader of the NDP, a shortage of funds was invoked recently as the reason for dropping the presumably grandiose projects he had claimed to be planning with that Crown company. Is it any wonder the hon. member for Oshawa (Mr. Broadbent) accused him of betrayal, but is the latter himself to be taken seriously? We heard from the very mouth of the right hon. Prime Minister—even while the NDP and especially its leader were castigating the Liberal party and its leader—that in the back rooms of their respective parties, they were discussing the possibility of a coalition government to stem the tide of Progressive Conservative popularity with the public. What confidence can we have in those two seemingly opposed political groups which down deep have but one objective, the subjugation of the citizens to the will and dictates of a state grown ever-present and all powerful?

But most obvious of all, despite appearances, the oil policy advocated by the Liberals and widely supported by the NDP benefits the rich unduly to the detriment of the working classes. A big fuss was made over the 18-cent a gallon of gas tax proposed by the Crosbie budget, but the Liberals and NDP carefully avoided telling the people that the same budget also provided, for the less well off and public transport companies, tax advantages that would have cushioned the effects of the price increases which were also designed to moderate consumption. What the Liberals and NDP failed to say to the consumers is that the present subsidy system is largely of greater benefit to the big than to the small oil consumer. At the present time, all Canadian taxpayers are called upon to pay, through their taxes and the money the federal treasury borrows, a subsidy of at least $20, if not more, for each barrel of oil imported from abroad.

Now, who benefits most from this subsidy? Naturally, those who consume more oil. And who are these people? The owners of castles like the one the right hon. Prime Minister bought for himself some months ago in Montreal. Whereas the average expense in heating oil for a modest bungalow is between $400 and $600 a year, that of the bourgeois palaces easily reaches $2,000 and even $3,000. One can easily conclude that the

bigger the house, the higher the heating costs and also the subsidy one gets from the state. The Liberal policy claims to help the poor but in reality it helps the rich take advantage of the largesse of a government seeking to protect their privileges.

To the heating costs of these immense castles, add the heating costs of the swimming pool with which they are practically all appointed; add the gas expenses for members of the family driving either big cars, sports cars, not to mention snowmobiles, yachts, or even motorcycles or Jeeps to get to the ski slopes or the resort areas. Add up these gallons of fuel burned by the people and you will realize that the true beneficiaries of this subsidization policy are not the poor people, Mr. Speaker, like members opposite would have us believe.

In fact, those who benefit are the richest elements of our society, playboys who can afford the luxurious homes, the latest cars, the expensive snow blowers, motorboats and what have you; those who can afford to spend the warm evenings dining in a high-class restaurant, attend summer theatre productions or simply while away the hours in the fresh air while the poor people, forced to pay part of the gas expenses, must be satisfied with sweating it out on their poorly ventilated balconies.

It is with a view to correcting this injustice that the Crosbie budget forced consumers to pay the true price for oil and provided tax relief measures to help the less fortunate. Mr. Speaker, it is against this act of justice that the Liberals and the New Democrats voted not too long ago. History will show that it is the Progressive Conservative Party which defended the true interest of the Canadian consumer. I have nothing against those who can afford the luxury of large houses and gas guzzling cars, absolutely nothing, but I cannot bear to see the poor being forced to pay part of the costs through their taxes. I do want richer people to enjoy their wealth but provided they do not waste a resource that is getting scarcer and scarcer and provided they pay an appropriate price for the fuel they use.

I am not kidding myself, however, about the effect of my remarks on Liberal members opposite. Until the people decide to get rid of them and send them back in the opposition, we will witness the same little game of compromises and expedients, Mr. Speaker. Indeed, did the right hon. Prime Minister not warn us in 1963 that no burst of energy or burst of dignity was to be expected from the Liberals? In spite of his NDP past, did he not rather choose in 1965 to join the Liberal ranks because he knew that tool was malleable at will to implement his policies? The present Prime Minister knew, as he indeed wrote, one would not find in any other party the abject submission of members to the will and whims of its leader.

Did the recent Winnipeg convention not give us once again the example of a party incapable of thinking by itself, of giving itself policies that correspond objectively to the needs of this country? That convention gave us the proof once again that that political formation no longer has any will of its own, but what counts for it to stay in power is to obey the leader even though its members know he is leading the party and the country to ruin.

It was a great pleasure to participate in this debate because I think Canadians must be reminded of the proposals we made. I think Canadians must also grasp the repeated promises of a government that has been in power for years and is trying once again to fool the people by repeating promises that have already been made. But we must remind Canadians—and it is our obligation to do so—that this government refused to take responsibilities that were necessary for the good operation of a country if one really wants to put this country back on the road to prosperity, and the government across has been doing the opposite up till now.

• (1650)

[*English*]

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, in following the hon. member for Joliette (Mr. La Salle) in this debate and listening to the empty rhetoric of his intervention, which was really in essence a pile of words supported by very few facts—and, if any, by the realization, which he unfortunately did not imply in his words, that he was re-elected by the slimmest majority that he has ever had since he entered politics—one is forced to look at the proposition before us today and to read it very carefully.

The Progressive Conservative party has put before us a motion which hinges on two words, "indifference" and "failure". Those are the two key words with which they would like to identify the Liberal government's energy and oil policy. Let us look for a moment at those two words against the background of the policies which have been evolved over the years.

You were a member of this House, Mr. Speaker, as I was and many of those who are here, and will remember when we had the debate on the Petro-Canada legislation, which was introduced by a Liberal government and passed in 1975. At every stage of that bill, when it was introduced on second reading, when it went to committee, when it came back at report stage, and finally at third reading, the members of the Progressive Conservative Party fought the bill tooth and nail, including the hon. member for Joliette.

Mr. La Salle: Sure.

Mr. Caccia: His party even asked for a recorded vote, and it is on record as having voted against Petro-Canada.

Mr. La Salle: We are still against it.

Mr. Caccia: And today we hear from that side this great rhetoric which accuses the Liberal government of having done nothing. Unfortunately, the memory of the hon. member for Joliette is filled with holes. He has no memory and he cannot recall the past. He can only look at the present. He cannot even remember what happened on February 18 of this year.

Petro-Canada is not indifference, nor is it failure. I would ask the hon. member for Joliette if it is indifference or failure.

If that is not enough, then let us go back to the policy paper which was published by the Liberal government in 1976. This policy paper for the first time put on record the intention of the Government of Canada to become self-reliant in energy. Here again it was criticized. Either it was too little, too late, too much or too soon. Whatever it was, again the so-called loyal opposition—which in drafting this motion today, I must admit, was perhaps more inspired by the word "opposition" than by being loyal to the facts—opposed that policy of 1976. Today they are claiming there has been no policy introduced by the Liberal government. That is not true. That policy, as you will well remember, Mr. Speaker, was advanced by the then minister of energy, mines and resources, the Hon. Alastair Gillespie.

Let us move to another policy to demonstrate the emptiness of this resolution before us today. I wonder if hon. members in the opposition remember the package which was announced in July, 1978, on renewable resources. Some $400 million was put forward by the Liberal government. I regret very much that the hon. member for Joliette finds my remarks so hot and the criticism so unbearable that he has to hide behind the curtains.

Mr. LaSalle: I will be behind the curtains having a cigarette.

Mr. Caccia: The announcement of that program was made in Toronto, the city from which I come. It was introduced to aid, launch and get off the ground Canadian industries interested in the development of renewable energy—solar energy, biomass, you name it. This package of $400 million for the first time gave the proponents in this country of renewable resources, and there are many, hope and opportunity to implement the ideas which exist in that particular sector within the energy policy in our country.

What did the Progressive Conservative Party say at the time that policy was introduced? I do not know. Do they remember? Evidentally they do not; otherwise they would not have used the words "indifference" and "failure".

Another example is with regard to pipelines. The pipeline system which we have today between Sarnia and Montreal is a result of a measure introduced by a Liberal government. That has already been forgotten, of course. The commitment to build a pipeline to the Atlantic provinces is a commitment by a Liberal government and is something which we will carry out. That was not mentioned by members of the opposition as something that supported their charge of indifference and failure. That is a Liberal promise made during the last election campaign and it is a commitment.

• (1700)

What about insulation and conservation, Mr. Speaker? In this country we have a so-called home insulation program. Is that indifference? Is it failure? Who introduced it? It is another measure introduced by the Liberal government and which, of course, received no attention at all today.

The agreement that we made with Mexico for oil was not in the amount originally hoped for, but nevertheless, it was initiated by the then minister of energy, mines and resources and a Liberal government, and it was concluded by a Liberal government. Could that be called indifference?

Mr. Paproski: At $50 a barrel!

Mr. Caccia: Could that be called failure? A motion like the one before us today can only be described as a sham, written by a group of members who got carried away with the desire to make a political point and gain political mileage without looking at the record.

In the few minutes since the first intervention I have been able to put together a list of Liberal achievements without even the opportunity for doing research but just drawing on my memory. I wish I had the time to do a better job.

Mr. Friesen: You call that an analysis?

Mr. Caccia: I should like to ask the hon. member who is now whispering but who is not in his seat—

Mr. Friesen: I was not whispering.

Mr. Caccia: —whether the electorate of Canada felt on February 22 that the Liberals were motivated by indifference and had a record of failure. Evidently not, otherwise the result would have been different.

When the hon. member for Kingston and the Islands (Miss MacDonald) spoke this afternoon, she forgot to tell us, perhaps inadvertently, why the government of which she was a member, just a few days before she tried frantically to cross the Atlantic on a Concorde last December, made an announcement for the sale of natural gas to the United States. How does that fit into her global outlook and her view that Canada ought to be self-sufficient by 1990? Why did she not mention the measure proposed by her colleague in early December which eventually was put aside, thanks to the vote of non-confidence? Why she did not speak about the dismantling policy proposed a year ago by her party and in their early days as the government of this country? There was no mention of the role of Petro-Canada as seen through the eyes of the Leader of the Opposition (Mr. Clark) when he was prime minister. That was another oversight.

I found it hard to believe that the party opposite had the nerve to lecture this government on how to behave in the world, how to design and implement an effective foreign policy. That is the party which proposed to move the Canadian embassy to Jerusalem just about a year ago. We all know the potential consequences of that proposal.

These are just a few examples of the elements missing from the main intervention of the Progressive Conservative Party which I submit for your consideration, Mr. Speaker.

A number of declarations were made by the opposition. They used phrases such as "government lacks the political will" and other sentences of which I made note. Basically, however, the facts speak for themselves. I repeat what I asked a moment ago—whether indifference and failure are the characteristics of a government which in the last few years gave us Petro-Canada, an energy policy in 1976, a renewable package of some $400 million in 1978, is actively engaged in implementing the construction of pipelines, a reduction in the importation of and dependence on oil which is quite remarkable, a home insulation program, and an agreement with Mexico, if not with Venezuela.

I have limited my remarks to a short analysis of the Progressive Conservative motion. Apart from setting desirable dates like 1990 for self-sufficiency or regurgitating what we already know about the potential offered by renewables, we did not hear anything from them this afternoon other than high-sounding declarations. They offered no proposals on how to make Canada self-sufficient in energy.

There was nothing new on this subject in the speech of the hon. member from Kingston and the Islands or that of the member who spoke for the New Democratic Party. They had nothing to add to what has been said since the energy crisis in the world began. They gave us a regurgitation of ideas that have become commonplace. Nothing new has emerged today. We heard nothing that has not been the subject of debates in previous years.

In order to make their points the NDP quotes from books. That is the only way they can get their philosophy across in this House. They go back to 1920 and authors of the past in order to suggest what we should be doing in the present or the future. But they just come up with the same old chestnut about buying the industry. Of course, they do not tell the Canadian people what it would cost or where the money would come from and, if it were to come from increased taxes, how they would be increased and by how much. That is the extent of the NDP intervention so far today on this very central issue which is a puzzle to every nation in the world.

On the questions of how to reduce our dependence and how to become self-sufficient, the NDP repeated the old refrain of more renewables. Having said that, did they go on to tell us what share of the total energy package renewables, non-renewables, and so on, combined, would take care of? Are they able to tell us what the renewable energy sources can provide for the next five, ten or twenty years as an alternative to dependence on non-renewables today?

Judging from their performance so far, one can only wonder what contribution the official opposition can make by basing a motion on a charge of indifference and failure in light of the record of the Liberal party and in light of their own record. Only five years ago in this House they opposed tooth and nail, at every stage, the creation of Petro-Canada. It is incumbent upon those of us who believe that Petro-Canada has a central, vital role to play in Canada—where over the years we have developed a quite unusual balance between the public and private sector—to put on record some facts concerning Petro-Canada. I shall be glad to devote a few minutes of the time that I have left to doing just that.

As my remarks have clearly indicated, Mr. Speaker, on February 22 Canadians rejected a government which had committed itself to privatizing Petro-Canada—the Progressive Conservative party. A decisive mandate was given to the Liberal party which had declared its determination to maintain and strengthen Petro-Canada as a fine instrument of public policy—a policy which is in the interests of the public sector.

● (1710)

Petro-Canada was under fire from the Progressive Conservative government but certainly not from the Canadian public. In fact, the process went so far that one Montreal newspaper characterized it as "the slow destruction of Petro-Canada". Happily, the situation has been reversed and Petro-Canada is again a dominant force in the development of our oil and gas industries. As well, it is functioning as the necessary intermediary in state-to-state arrangements which are taking shape to supplement, but not supplant, private oil import supplies.

As hon. members know, Petro-Canada has played and is playing a most important role in frontier areas of Canada. Apart from the Beaufort Sea, where the continuing efforts of Dome and its partners claim our attention, Petro-Canada is actively represented almost everywhere.

On the Labrador shelf, Petro-Canada is the operator for a group of companies which are maintaining a high level of exploration effort with three drilling units operating during the short season. Indeed, one of these units was recommissioned at St. John's just last Friday. This part of Petro-Canada's exploration program will involve the completion and testing of two important wells which were started last year, as well as the drilling of new wildcats.

The most promising success of the 1979 frontier exploration program was the Hibernia oil discovery on the eastern Grand Bank. Here Petro-Canada has a 25 per cent working interest in what is almost certainly our first major commercial oil discovery in the frontier areas. Three drilling units are presently operating in this area to facilitate continuous evaluation of these important prospects. Simultaneously, environmental studies are in hand to determine how development can take place with a minimum risk of environmental damage.

Another important success with which Petro-Canada has been associated is the Venture gas discovery off Sable Island, in which Petro-Canada has earned an approximately 30 per cent interest. This discovery is the first potentially commercial gas discovery to be made in the eastern frontier area. It is obviously strategically located in relation to supply for the energy deficient Atlantic provinces.

In the north, Mr. Speaker, Petro-Canada has a 48 per cent interest in Panarctic Oils Limited. Successes there have included the major Whitefish gas discovery, estimated to contain as much as one trillion cubic feet of natural gas. In 1980 and 1981, Petro-Canada will finance over 80 per cent of

the Panarctic budget to ensure that the necessary level of activity is maintained. This high level of Petro-Canada participation results from a lack of budgetary commitment from the private sector partners of Panarctic to continue funding their representative shares. That in itself commands the attention of the Progressive Conservative Party to the presence of a publicly-owned Crown corporation, such as Petro-Canada.

An hon. Member: It costs $80 million.

Mr. Caccia: Maybe it is $80 million, but that is what protects the future interest of Canadian consumers. Probably the Progressive Conservative member over there cannot look beyond the tip of his nose; he just thinks in terms of what it would cost today without thinking of how much it would cost tomorrow.

Finally, Petro-Canada is the government's designated agent for the importation of some 50,000 barrels a day of Mexican crude oil which, from October onwards, will help to supplement eastern Canadian supplies from a secure oil supply source pending the development of indigenous supply for that area.

Mr. Paproski: At $50 a barrel.

Mr. Caccia: Such supplies, of course, include hydro and nuclear electricity, natural gas from western Canada and the commercialization of the Atlantic area's offshore oil and gas resources.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, what we have heard today from the other side on this very important motion which my friend, the hon. member for Kingston and the Islands (Miss MacDonald), has put forward today is an illustration of the total lack of understanding that is quite clearly seen in the government benches. I have been waiting to hear whether there is any understanding of the serious nature of the international issue that we are facing. All that we have had is a repeat of the halfway attempts which the government and the previous Liberal administration have made in trying to come to grips with this problem. But as my hon. friend has said, there has been a total lack of understanding and an inability to come to grips with the political necessities and the very tough political decisions that are essential here if we are to avoid the exposure we are facing today.

I would like to commence my contribution to this debate on the serious state of Canada's energy policy in this increasingly unstable world by quoting what Cyrus Vance, the former U.S. secretary of state, said:

> In meeting the energy crisis ... we cannot rely on the genius of some economists with a new solution. We need acts of political will.

This is what is lacking in this government and in previous Liberal administrations since 1973 when this problem first arose.

The challenge and the clear feasibility of achieving energy self-sufficiency has been before us for many years. The pressing need for action has been clear. The opportunity for massive economic development is equally clear, and still the government has not accepted energy self-sufficiency as a clear policy objective.

The first time action was taken and the first time the opportunity was recognized and acted upon was by the Clark government last fall. Sadly for Canada, this far-sighted initiative was defeated by the near-sighted political opportunism of the Liberal-NDP coalition last December.

The tragedy and frustration of this government's inactivity on the energy front is best illustrated by the recent Venice Summit. In paragraph 7 of the communiqué, the seven leaders said it all, as follows:

> To this end, maximum reliance should be placed on the price mechanism and domestic prices for oil should take into account representative world prices. Market forces should be supplemented where appropriate by effective fiscal incentives and administrative measures. Energy investment will contribute substantially to economic growth and development.

This could have been the preamble to the Clark government's comprehensive energy policy announced last fall. But what did the Prime Minister (Mr. Trudeau) do? It is difficult to understand how he can defend his so-called energy policy to his Summit colleagues. Instead he appeared to walk away from the meeting and laugh in the faces of the other six leaders. With this much respect for commitments by world leaders on such an important matter, it is a wonder that the Prime Minister bothers to attend these meetings.

The Prime Minister said that Canada should not be servilely bound to world oil prices which the Summit nations then violently condemn. These are soothing words for the folks back home, but this rhetoric has nothing to do with the energy reality of today.

How can we have his so-called made-in-Canada energy price when oil imports could reach as high as 45 per cent of our oil consumption by the mid-1980s? That is the most critical element of Canada's energy position, and that is the element around which we have to build an energy policy. This is the key problem. With no change in energy policy, we will continue to pay more and more money for more and more foreign oil in an increasingly volatile international environment.

● (1720)

During the recent election campaign I spoke frequently of "security of supply". I wish to elaborate on some aspects of this security, or shall I say "insecurity", for this government's inaction has exposed this country in two important areas to greater worldwide instability than we have ever seen. The tragedy of it is that it has been and is still within our power to reduce this exposure. We are now greatly exposed to the increasingly volatile international scene through the greatly increased cost of oil imports and through our chronic balance of payments deficit.

Let me set out the magnitude of this problem. Gross crude oil imports have averaged about $3.3 billion from 1975 to 1978. In 1979 they grew to $4.4 billion and this year will be between $5.5 billion and $6 billion. Our balance of payments deficit on current account has averaged $4.6 billion for the

past five years and could be in the $6 billion to $6.5 billion range this year. The cost of crude oil imports by the mid-1980s is expected to be of the order of $10 billion to $15 billion. The impact on our balance of payments is clear.

But do not let me leave the House with the impression that oil imports alone caused these payments deficits. Hon. members will recall a speech I made recently in this House when I outlined how the disastrous economic policies of the Liberal government from 1973-76—their fiscal, monetary and collective bargaining policies—brought us to this position of chronic deficits. There are signs that we are sliding back into those discredited policies. Clearly action is needed on an urgent basis to meet the challenges ahead and reduce the risks of today's unstable world. We must make no mistake; the international situation is very volatile and we are in a very exposed position.

Third World debt has grown alarmingly. The cumulative figure to the end of 1979 was some $300 billion. In 1980 this is projected to increase by $60 billion to $68 billion and by a further $70 billion to $75 billion next year. Five countries to date have been negotiating a rescheduling of debt, tantamount to a corporation declaring bankruptcy. These countries are the weak ones. Others, including the ten largest LDCs which represent two-thirds of the Third World debt, are under great stress. It is expected that other countries will be the subject of further rescheduling in 1981. It is clear that the World Bank and IMF must move to play an increasing role in this program. I urge the government to support the initiatives of these two institutions in the work they must do.

These newly industrialized countries represent promising new markets for Canada, markets where we need to improve the balance of payments deficit. But these markets may not develop because of the oil problem and we will remain exposed because of our large deficit position.

The Minister of Finance (Mr. MacEachen) has been wringing his hands because our interest rates have been so severely affected by the U.S. government in their monetary policy. Has he ever stopped to think why this is so? It is because we are in such an exposed position through our payments deficit. Unfortunately, we are caught in a vicious international circle. As the oil price increases, it leads to further instability in international foreign exchange and money markets, particularly the U.S. dollar. Since 1973, U.S. dollar holdings by official foreign institutions have doubled from $70 billion to $140 billion, and are increasing. This overhang represents a continuing source of instability in world financial markets. So unless we take action now on a broad front, we will experience the same pattern in Canadian interest rates again.

Today the political environment in the Middle East is more unstable than at any time in recent history. Iran is totally unpredictable. This is the country which knowledgeable observers regarded as one of the most stable countries in the area only a year or so before the return of Ayatollah Khomeini.

The Soviets now occupy Afghanistan. The Soviet Union today is a net exporter of oil, about 800,000 barrels a day. In 1985 this is expected to be reversed to a net import position of one million barrels a day, a turnaround of 1,800,000 barrels a day. The Soviets have clearly served notice that Middle East oil is not exclusively a western preserve.

This is a delicate situation, and not only from the standpoint of oil supply. A significant portion of the money on deposit in the major international banks, money that has been used to finance the balance of payments deficits of both the industrial and less developed countries, emanates from the Middle East. Any disruption in this flow of money, any disruption in this recycling process which has worked so well up to now, will have serious repercussions on, first, the LDCs and, second, the major industrial countries.

I do not want to be an alarmist, but it would be foolish for us to ignore the potential of some destabilizing element in the Middle East. At the very least, competition for Middle East oil will intensify during the same period as Canada's oil imports requirements increase, a condition brought about by the neglect of successive Liberal governments.

The rising degree of trade protection is another area of major concern, a concern which would be considerably less were we not facing a $6 billion to $6.5 billion payments deficit this year and had we not experienced a $17 billion deficit in trade of manufactured goods in 1979. Countries like Japan, Korea and Germany are facing a desperate struggle to increase exports of manufactured goods since they have few raw materials to export and such large oil and other import requirements.

In spite of the brave words of Venice, we are currently seeing national self-interest forcing these and other countries to slip into a more protectionist posture. Preferential treatment for United States produced steel by New York State, and controls on U.S. petrochemical and synthetic yarn exports to the EEC, are two such examples.

What is Canada's response? We cling to an outmoded energy policy which threatens seriously to damage our manufacturing industry. We have not learned that high energy prices and scarce supplies forced Japanese and German car makers to adjust quickly and early to the changing energy environment. Our North American car manufacturers are now in the most serious downturn in years, being badly beaten by foreign imports.

If we do not move our energy policy into this new world, other industries will follow this same path. They will also produce products geared to the energy world of five to ten years ago. Our $200 million bailout of Chrysler may only be the first of its kind if we do not move soon enough.

We must be careful not to link automatically higher oil prices to inflation. Certainly they have an impact; but the experience of Germany and Japan with inflation rates which are lower than Canada's in spite of moving to world oil prices proves that the adjustment can be made, because these are the countries which are providing the greatest competition to Canada and the U.S. For how long can Canada expect countries which have made this tough adjustment to higher oil prices to ignore the threat of our subsidized oil price in this

period of growing protectionism? Surely countervailing duties on our manufacturing industries, particularly those which are energy-intensive or use petrochemicals as a feedstock, are a far greater potential dislocation than having to adjust to a more realistic energy policy. The longer we keep our heads in the sand, the greater that threat becomes.

● (1730)

There is another important element in the trade picture, the current very damaging competition in export credits. This is an obvious result of the need to increase manufactured exports to pay for oil imports. Countries with little or no oil production have now moved to an increasing extent to subsidized manufactured exports. The Venice Summit set December 31 of this year as a deadline to agree on a new set of rules to control this damaging aspect of a trade war. To be frank, I do not hold out much hope for improvement in this situation. The pressures of self-interest are far too great. Canada clearly has an interest here since subsidized exports can be very costly. This represents one of the largest single items in the U.K. budget. France has been said to have embarked on a policy of financial colonization in support of its subsidized exports.

Our needs are that much more pressing because of the serious state to which we have allowed our energy and trade position to fall. But the tragic part of it all is that we in Canada had and still have some options. Japan, Germany, Korea and France have no options. They continue to import oil and fight to increase manufacturing exports. We expect at an early date to be presenting to the House of Commons some views of these options as they relate to manufacturing and trade policy.

In the meantime I urge the government to act and tell the truth to the Canadian people. The Minister of Justice (Mr. Chrétien), when he was the federal-provincial critic in the opposition and when he was sitting on this side of the House, said in this House on October 12 of last year, and I quote:

> There is only one thing that matters; to be honest with the public. That is all I ask of the government.

Mr. Speaker, that is all I ask of this government. We have tried to give the government and the Canadian people some understanding of the present and growing seriousness of this situation, both domestically and internationally. I hope the government will listen. I hope it will face these facts and display the necessary political will and leadership and tell the truth to Canadians. Action is necessary. Action is needed now. The future is too important to Canada, and it is too precarious.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I wish to express real appreciation to the opposition for bringing forward a motion which gives us an opportunity to boast about and to explain the policies which the Liberal government has pursued in the energy field for many years. Of course, the motion was planned as, and intended to be, a political ploy to try to condemn the Liberal government and the Liberal party for their policies. The motion was worded to say that we should be condemned for a failure to have a comprehensive program. It strikes me that it provides us with precisely the opportunity we would like to have to prove and to show how comprehensive our policy is, and how long-standing has been our awareness of the problems of which the opposition has just spoken.

I would like, for example, to point out that in 1973 the OPEC nations began their efforts by putting on an embargo which cut off oil supplies to the western world. This began to arouse the attention of the western world to the dangerous and vulnerable position in which it was situated. We found that OPEC could raise its prices arbitrarily from $2 a barrel in 1973 to $10, and then $12 within a few months, and then to proceed arbitrarily ever since to so raise the price higher and higher that it was dizzying. That was certainly evidence to the western world of the precarious position in which we found ourselves.

Our government was conscious of the need to be energy self-sufficient and, as has been pointed out already, Canada has the lowest dependence on offshore oil of almost any nation on earth, particularly any other western power. In fact, only 15 per cent of our oil comes from offshore sources, or OPEC sources, whereas the United States imports 28 per cent. Next year the United States will be 40 per cent dependent on offshore oil. Other nations in Europe, as has been pointed out, are anywhere from 75 per cent to 98 per cent dependent on offshore oil. Canada in fact is not only not energy dependent—it is a net energy exporter—but we are also in a strong position to help other nations to see their way through, and the Canadian government has tried to help them find their own solutions.

In 1973 we found that Canada, along with other western nations, faced a critical turning point. It faced the OPEC embargo and OPEC energy price increases. From then on we knew that energy would never be cheap again. It was clear that there were profound strategic problems. We do not need to be told by the opposition about those problems today.

Strategic problems were confronting us when we were dependent upon Middle East oil. We do not have to be told that now, because already in 1973 Melvin Laird, a former secretary of defence in the United States, said this was the greatest danger to the western world since Hitler and World War II. That was said by the American secretary of defence back in 1973. We certainly have been aware of the strategic dangers which faced the western world at that time.

We also realized the economic dangers and disasters which loomed ahead. In 1974 the British publication *The Economist* said that our world monetary system was being set awash and that this was the greatest transfer of human wealth that has ever taken place in the history of mankind. Much wealth in a short period of time was transferred to Middle East nations which had oil, and there were prospects of ever-increasing and arbitrary price increases which would force the monetary system of the western world to be set awash. Then we were told that the western world was heading toward possible recession and, in fact, to depression. We were told of the tremendous balance of payments deficits which would come about in the west as the west spent endless amounts of money

for oil and energy but would be unable to get it back in terms of sales. That might set the whole western world into a state of chaos.

We have seen what this has done to the American economy. There has been an enormous transfer of American dollars and Eurodollars to the Middle East.

We certainly also can say that we were tipped off back in 1973 and 1974 about the danger of the loss of our independence as nations in the west. This is nothing new. In 1973 and 1974 it was quite evident—it was spoken about—that certainly some of the Middle East powers would be able to exercise both blackmail and bribery. We saw that various American civil servants were bought up. They resigned their jobs to work for certain powers which were not American. They registered as agents for foreign powers. I refer, for example, to the former vice-president of the United States, Spiro Agnew, a certain former American defence minister, and a certain former expert in Middle East affairs for the CIA. We saw already back in 1973 and in 1974 that there were signs that foreign powers would use their wealth both to bribe and to blackmail. The hon. member for Kingston and the Islands (Miss MacDonald) very correctly just said that those powers were going to be able to use money and force to effect foreign policies in the world and that we are in danger. That power is a threat. The hon. member was quite right.

Let us recall the Jerusalem embassy issue. We remember how the last government faced the force of certain Arab governments which came forward and said that we had to behave in a certain way, and because of their threats we did. We changed our national policy in order to accommodate them. We can also see that there are dangers which arise from this foreign force and this foreign power to blackmail, in terms of the Arab boycott, which can threaten the individual rights of Canadians, whatever their origin or religion. Arab power and blackmail can threaten action to put one Canadian business at odds with another, to force one Canadian business not to buy and deal with another, and in fact to question the integrity and the right of certain individuals to work in Canadian companies because of their religion.

● (1740)

Indeed, we realize the power of OPEC oil to affect the economy, to affect our military and strategic future, and to affect our monetary system. This is not new; we have been talking about it for years.

But what is important is that in order to reply to such blackmail, to such bribery and to such dangers in the strategic situation in the world, Canada has been carrying on—I happen to know this from personal experience—not only a program to try to develop alternate sources of energy but also a comprehensive attempt to try to educate the population of Canada to the urgency of conservation of energy.

I remember, when working for a non-governmental organization, coming to the Government of Canada back in 1974 and 1975 and finding that the government was producing and printing all kinds of materials for schools, for homes, for companies and for corporations, which we helped to distribute to citizens to inform them on how to save energy, how to use CHIP, how to insulate houses, how to cut down on the use of oil in homes and factories, and how to cut back on the over use of oil and gas in automobiles. All this was being done years ago; it is not new. This opposition has to be reminded of the publications, which are still available today, which were printed years ago on this subject to help the Canadian population know how to conserve energy. Through these very important programs. I am glad that the opposition has brought to our attention the importance of concern for energy and for energy conservation, for alternate forms of energy and the proper pricing of energy. But we can see that the Canadian government has been involved in a widespread diversification of efforts to reduce our dependence on energy, and to provide not just one answer, but several answers, in a number of directions. The very capable Minister of Energy, Mines and Resources (Mr. Lalonde) has pointed out that we have, first of all, a policy on natural gas, that we have been developing a gas pipeline, for example, throughout Canada. You will remember our pipeline debates, you will remember the discussion of the Quebec and maritime gas pipeline, and you are aware of the Alaska pipeline and of the efforts to use gas as one alternative. Another alternative is coal, another is atomic energy, another is methanol and ethanol the use of which we have been trying to encourage in terms of technology, research and development. We have also been trying to encourage the development of tar sands and the use of heavy oil, implemental oil, solar and wind energy and residual oils.

I know, for example, that when the Conservative party was in power, the present Minister of Energy, Mines and Resources, who was then the energy critic for the Liberal party, tried even at that time to meet officials in southern Ontario in what we called the energy caucus. He visited solar plants and schools which were heated by solar energy, and he encouraged the use of solar energy in southern Ontario. I remember his concern about this, and in fact just a few months ago, as a result of the R & D policy of the Liberal government, a large corporation in Brampton extended its dry cleaning plant, augmenting its facilities with solar heating. There is no question that there are many ways in which we in the government try to meet our energy needs with diverse plans, not just with only one answer to the whole subject of energy.

In closing I should like to focus upon one particular area, that is, the area of gas. I agree with the hon. member for Etobicoke Centre (Mr. Wilson) when he speaks about the problems being faced by the United States. Perhaps he should have been giving his speech in the House of Representatives in the United States when he spoke about the dangers that were facing the auto industry there and the whole North American auto industry, the decisions concerning which are mainly made in the United States. He was correct when he assessed the problems and the vulnerability of the United States in using oil as its one source of energy.

What the Canadian government has done through the Alaska pipeline is to try to induce the Americans to run the

pipeline from Prud'hoe Bay overland down through Alaska, across the Yukon, across northern British Columbia, down through Alberta, British Columbia and Saskatchewan, into the United States, both east and west. The Canadian government has tried to encourage the Americans to bring their own resources, other than oil, into the western United States. This would help the U.S. to face its energy problems and not to continue to depend on offshore oil.

We would thereby also encourage the Americans, if they would accept this project, to also consider the possibility of bringing their oil from Alaska overland, to protect the environment of B.C., to protect us from the huge tankers which can smash up and thus destroy our ecology on the west coast forever. I believe the Canadian government is trying to help the United States to recognize its vulnerability to dependence upon the tanker system. If we ever had a war, God forbid, the American tanker system bringing American defence oil from northern Alaska by tanker would be extremely exposed and vulnerable. Bringing it by land would be a much safer solution for all.

The Canadian government is trying to see if we can also expand our own natural gas industry by bringing in a pre-built system, and I hope this will be possible. By bringing some Alberta gas initially to the United States, we will help to increase the awareness of the Americans of their addiction to the use of oil and gasoline and of the need to rely on natural gas more quickly.

The American energy system in the west is too dependent on gasoline and oil. By bringing natural gas from Alaska we would encourage the Americans to become more aware of the use of natural gas and the need for replacement of oil by Canadian gas in the western United States. Americans in Chicago and in the middle American states should also be made more aware of their dependence on oil and gasoline and of the importance of using Canadian natural gas instead. By the conscious policy of the Canadian government to try to bring the American government to encourage the use of natural gas from Alaska, and by building a prebuilt pipeline to get Alberta gas to the United States as a first step to getting Alaska gas going to the United States, we will be able to help the Americans recognize the possibility of using gas instead of oil as a fuel.

This gas project will also induce small Canadian gas exploration companies in Alberta to initiate programs to find more gas which can be used in the eastern part of Canada, which can be used in Quebec and the maritimes, and which can be liquefied and used as a substitute fuel for automobiles and larger vehicles. Canadians have been in the forefront in developing this technology as an alternative. Let us therefore be aware of the fact that in this one field alone the Canadian government is trying not only to provide a substitute for oil, as this resolution does not recognize, to make us more self-sufficient, but is also aiming at improving our economy.

● (1750)

By using gas instead of oil, we will be able to reduce our dependency on foreign offshore oil. We will be able to reduce our balance of payments deficit. It will mean the production of $2 billion worth of steel pipeline which will give jobs to thousands of Canadians in Regina and Hamilton producing the steel and the pipeline for the Alaska line. It will provide tens of thousands of jobs for Canadians involved in laying the pipeline and maintaining it where it is on Canadian soil. In every way this policy, just in the field of natural gas alone, is not only aimed at helping Canada become more self-sufficient and to provide Canadians with a cheaper ultimate source of energy, but it helps Americans to understand and learn of the value of depending on natural gas and it helps Americans to receive this on a safe overland route. Also it provides the United States with a more secure and less vulnerable source of energy. As Americans become more conscious of this, they too will develop new technologies in the use of this vital resource. Therefore they will be able to help their automotive industry and perhaps will be able to change over some vehicles to the use of natural gas.

This whole policy is not just selfish for Canada. In fact it is intended to meet the very criticisms just aimed at us. It is aimed to help the United States to meet and understand its own problems, and for us to co-operate to make it less dependent on strategic energy from the Middle East and their unstable governments, such as were described. I do not believe we should play political games with world problems. Indeed I believe we should co-operate. Therefore I should like to say I am glad this debate was held. It provided us on this side of the House with an opportunity to stand up and point out why our policies in each of the areas are indeed helpful not only to Canada but in fact to the entire western world.

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I rise on two points of order. First, I had consultations with the other House leaders earlier today concerning reverting to presenting reports from standing or special committees. There seems to be unanimous consent for the House to revert to presenting reports from standing or special committees to allow the chairman of the Standing Committee on Finance, Trade and Economic Affairs to table his report. When he is finished, I will have another point of order to raise.

The Acting Speaker (Mr. Blaker): The hon. President of the Privy Council indicates that there may be unanimous consent for the House to revert to presenting reports from standing or special committees so that the hon. member for Sarnia may present the third report of the Standing Committee on Finance, Trade and Economic Affairs. Is there unanimous consent?

Mr. Knowles: Agreed.

Business of the House

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Third report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages—Mr. Cullen.

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

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BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, my second point of order relates to the veterans legislation. Yesterday I undertook in the name of the government to agree to proceed with that legislation under the condition that it was considered through all stages and completed through all stages tomorrow. I want to seek the unanimous consent of the House to allow me to give copies of that bill to House leaders of opposition parties as soon as it is printed. That might be at about 9.30 or ten o'clock tomorrow morning.

I should like to specify that the bill is not printed yet. Our intention was to deal with it later on this month, but since we were requested to deal with it tomorrow I did what was necessary to make sure we could proceed tomorrow. The bill will be printed only in time for it to be distributed to House leaders tomorrow morning. I would not like to set a precedent, but in that particular case, taking into consideration the agreement made yesterday, I should like to have the unanimous consent of the House to allow me to give copies of the bill when printed tomorrow to House leaders of the opposition parties before it is introduced in the House.

The Acting Speaker (Mr. Blaker): Are hon. members agreed?

Mr. Knowles: Agreed.

Mr. Friesen: Mr. Speaker, I rise on a point of order. On a point of clarification, that does not in any way jeopardize the debate on that bill tomorrow afternoon; it will proceed.

Mr. Knowles: On the contrary, it facilitates it.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO PROVIDE COMPREHENSIVE ENERGY PROGRAM

The House resumed consideration of the motion of Miss MacDonald:

That this House deplores the Liberal government's indifference to the consequences of the global oil crisis and condemns its failure to provide a comprehensive energy program that would make Canada self-sufficient in energy.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I take pleasure in rising to debate the motion presented on behalf of my party by the hon. member for Kingston and the Islands (Miss MacDonald). The motion condemns the government for its lack of planning in the field of energy in a manner that would take care of the future needs of Canadians. I take particular pleasure in doing so today, because it was exactly six years ago that I was elected to this chamber, the class of 1974. I remember very clearly the campaign on which we were elected at that time, we of the class of 1974. At that time we were debating wage and price controls, and there were very hard decisions to make.

Miss MacDonald: The Grits do not remember that.

Mr. Friesen: They have a lapse of memory on that score. The prime minister of the day went around saying that it was not necessary. I remember very clearly that western Canada in particular was willing to make very tough decisions to meet the future needs of Canadians. They were willing to do that, even though that concept was not naturally acceptable to us in the Conservative party. We were willing to take that short-term risk for the long-term gain and benefit of Canadians.

I heard the Minister of Energy, Mines and Resources (Mr. Lalonde) today talk about all the things the government was doing, as though the Liberal Government of Canada is free to do all those things. But I would remind him of an old French proverb which says, "He who drags his chains is not free". I would point out that the Liberal government has some very, very obvious chains it is dragging about which limit its activity. Therefore it is no longer free to do what it wants.

The first one is the chain of deficit financing. The Liberal government talks in grandiose terms of doing what it wants, and all the time it spends beyond its means and imprisons itself to world economic forces. That ought not to be the case if it were running its ship the way it should. The second one is the chain of lack of planning for the future of Canada. The third is the chain of having to depend on offshore sources of energy. Today we are depending on offshore sources of energy when it was just a matter of ten years ago that we were net exporters of oil. Is that planning on the part of the government? Is that being creative? "He who drags his chains is not free".

I want to remind the Liberal government that the western part of the country was willing to take a tough decision in 1974, it was willing to take it in 1980 as well. The major fault

I would assign to the Liberal government is its continuing fault of trying to suggest to Canadians that there are easy panaceas for very difficult problems, that we can spend our way into prosperity, and that no one has to pay the extra cost which energy is naturally costing today. They suggest that we do not have to pay that 18 cents or more for the extra cost of production today. They say that there are easy solutions to very difficult problems. The crime of the Liberal government is that it is doing this at the expense of our children and grandchildren. They are the ones who will have to pay the bill.

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

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the chair until eight o'clock this evening, at which time the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) again will have the floor.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Friesen: Mr. Speaker, as we broke for the dinner hour I was saying that the success of the Liberal party at the polls lay in the fact that they were able to convince the majority of the Canadian people there really are easy solutions to the most difficult problems we face, whether they are in respect of the economy, wage and price controls, energy or, the 18-cent excise tax that was to be placed on gasoline. The Liberal party was able to convince the voters there was an easy solution to this most difficult problem.

An hon. Member: You don't know what it is.

Mr. Friesen: The hon. member for Ottawa Centre (Mr. Evans) loves to talk but he does not perform very well.

The crime of their success lies in the fact that in both cases, in 1974 and in 1980, they made our children and our children's children suffer for a delusion they were able to perpetrate. This is not a matter of solutions they have provided, but postponement of those solutions.

If they had been successful on the political stage at home they would have moved on an entirely different platform, particularly when they move into energy negotiations around the world. It is a different stage, it is different players and there are different stakes. On the world stage it is a matter of survival, not simply a matter of re-election.

Domestically they have been able to pull it off as far as re-election was concerned, but the great concern I am sure of Canadians is that the Liberal government, because its major concern is one of public relations rather than of substance, is going to be snookered when it comes to working with the big players on the international stage.

Incidentally, I might add, it is strange in the last week that the governments of Mexico and Venezuela have announced at least $1 per barrel increases in petroleum prices, without one whimper from the Liberal government regarding what it will cost the Canadian taxpayers for that increase in the price of petroleum products, yet let the premier of Alberta suggest that the price of Canadian petroleum ought to move to at least 50 per cent of world prices and he becomes greedy and selfish. He becomes everything but a Canadian. Somehow there is a double standard in the Liberal party on that score.

I recall watching on television just the other day the president of Dome Petroleum saying that the difference is not a difference between $34, the world price, and $14, the domestic price, but really a difference between $34 and $5, because the $14 per barrel domestic price means that the provincial and federal governments receive the additional $9 and the oil companies receive only $5. However, the Saudi Arabians, the Venezuelans, the Mexicans and those in Kuwait are receiving the full $34 price. Guess where those companies are going to go, those companies which are receiving only $5 on the domestic scene? If they have a choice of $5 return per barrel in Canada and $20, $30 or $35 in the United States, Mexico or Venezuela, guess where they are going to go? We are pretending that in Canada we can suppress the price of energy, keep it artificially low, and still maintain or achieve self-sufficiency in petroleum products.

On the world stage, while countries are mildly concerned about price, they are not concerned so much about price any more as they are concerned about security of supply. That is now the name of the game. It is the future and the existence of those countries about which they are worried. While members have been talking about the tragedy that Third World countries are facing because of increases in the cost of energy, the real question is, will they make it at all? One hon. member referred to this just before the dinner hour. Some of these Third World countries have effectively declared bankruptcy already. They are rewriting their loans. The name of the game in those countries is survival.

If we are to look only at price then surely we are going to lose out on security of supply. The price is important, but on the world stage the very fact that security of supply is an issue, means there is going to be greater competition for a diminishing source of supply. As the hon. member for Kingston and the Islands pointed out in her speech earlier, Russia is competing for world supply now. I do not know how many Canadians are aware of the fact that the greatest producer of petroleum in the world today is not Kuwait, Saudi Arabia, Iraq or Iran, but the Soviet Union. The Soviet Union produces almost 12 million barrels of petroleum per day and is a net exporter to the satellite countries. It is also exporting natural gas to western Europe. However, this is the last year in which the U.S.S.R. will be a net exporter. Next year it will become a net importer of oil and, when that happens, hon. members can guess what will happen in the Middle East.

● (2010)

Is it any wonder that the government of the Soviet Union is interested in Afghanistan, Iran, and the Persian Gulf? Is it any wonder that the Middle East countries in wanting to preserve their cash flow over the next 20 years, 30 years, 40 years or 50 years, are diminishing their production? That is why these countries are the centre of interest of all the nations of the world, because supply is the issue of the day.

The issue is not simply price. Therefore it becomes critical as to how sensitive we are in handling our foreign policy. All our friends, including the United States, will be competing for that same limited source of supply. The issue which we must face is how well we can preserve our domestic economic integrity without alienating our best friends. Earlier in the evening the hon. member for Vancouver-Kingsway (Mr. Waddell) mentioned a continental energy policy with some fear. He does not have to worry because it is already here. There is no signed continental energy agreement, but there is a *de facto* continental energy agreement, because there is one thing which the United States and the other countries are very well aware of, and that is Canada's budgetary problems.

The other countries know that we are in debt and that we need money. They know that Mexico is in the same position. The United States, for example, knows very well that while Mexico has vast reserves of natural gas and petroleum, and is talking about limited sales to that country, it needs the cash flow to raise their standard of living. If they know about Mexico, they certainly know about Canada. They know that we are facing a $14 billion deficit this year. They know that we are $80 billion in debt.

The United States also knows that when the crunch comes, the Liberal government, having created the problem, will try to extricate itself in the easiest plausible way, and that they will sell. Who needs a written continental agreement when one is in the kind of trouble which Canada is in in terms of its fiscal arrangement? I said earlier in the evening that he who drags his chains is not free. The Liberal government has brought the Canadian economy to such a strait that we are not free any more to decide whether or not we will sell. That is why the Liberal government is so anxious to impose an excise tax on natural gas in British Columbia.

Mr. Epp: What about hydro power?

Mr. Friesen: There is also hydro power in British Columbia, Ontario, Quebec and Manitoba. The United States know that they can pull it off because they know that the cash flow is necessary, that the sale will go through and that the federal government will benefit from it.

This leads us to the importance of the pre-build section of the pipeline about which some hon. members spoke earlier. The question is not whether or not the pre-build section of the pipeline will be built; the question is if and when it is built, will this Liberal government ensure that the future of Canada is protected in the transaction?

Just a few weeks ago the cabinet sought more concrete assurances on this matter from the United States. Now, the congress of the United States has passed a resolution reinforcing the intention of the Americans to build the Alaska leg of that pipeline. But what if, after that pre-build section is completed in Canada and we have invested $1.2 billion in its construction and we begin to export natural gas to the U.S., the Americans decide in the ensuing five years, in 1985, that they have a better way of providing their energy, whatever the means may be? What if the Americans decide to cash in the chips? What will Canada do then?

Does this government have any kind of alternatives or contingency plans in case the Americans decide after five years that they do not want to build the Alaska section of that pipeline? What are their contingency plans? Are they, for example, willing to subsidize the pre-build section afterwards? Is there a contingency to increase Canadian sales of natural gas to the United States, because Canada needs the cash flow? Will that contingency plan be to extend the natural gas pipeline up the Mackenzie Valley to the Delta gas fields?

What are the contingency plans, if any, of this Liberal government? There are some limitations to the American proposal. The Americans cannot subsidize the Alaska leg of the pipeline with tax money. They cannot allow oil companies to invest in an equitable way in that pipeline, and they cannot allow Canadians to begin tracking of the costs through the Canadian section. There are some severe limitations.

Recognizing those limitations and the fact that all we have is an international agreement at this time—there is no ironclad agreement on finances—what assurances has the Liberal government extracted from the Americans that Canada will not be left in a greater debt position as a result of that agreement?

The Liberal government is talking about an export tax on energy, particularly natural gas and electricity to the United States. What about the consumptive products in Canada which are produced as the result of consuming energy, the byproducts of natural gas? Will the Liberal government decide that all the resins, plastics and the energy-consuming products which are made from petroleum and petroleum byproducts will be taxed? What is the limit to which the Canadian government, because of its reckless spending in the past, is willing to go in taxing energy exports?

Will the government stop at taxing energy and electricity, or will it include uranium? What about natural gas products? How far will the government go? The fact is that the industrial complex of the United States is already shifting. It is moving from the cold north where so many of the factories have become obsolete. They are rationalizing their industries and moving them further south where less energy is required and it is closer to the sources of energy. They will be closer to the Mexican pipelines and the ships and pipelines which come up the Mississippi Valley.

What implications does the fact that the industrial complex of the United States is moving further south have on Canada's marketing of petroleum and petroleum-products to that country?

Mr. Evans: Oh, oh!

Mr. Friesen: The hon. member for Ottawa Centre is mumbling again, but that is about all he ever does. How far is the Liberal government willing to go to protect the future of Canada? I said at the outset that he who drags his chains is not free. Canada has been chained by indebtedness. The Liberal government has chained itself to indebtedness and, as a result, Canada no longer has the freedom of movement which we enjoyed at one time. Ten years ago Canada was a net exporter, but today we are a net importer. That is why I fully endorse the motion introduced by the hon. member for Kingston and the Islands that this government stands condemned for its failure to adopt an innovative energy program.

• (2020)

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, I presume that the motion which we are discussing was introduced by the hon. member for Kingston and the Islands (Miss MacDonald) because, as the former secretary of state for external affairs and with her knowledge and her expertise in international affairs she hoped the debate would take on some international connotation.

Miss MacDonald: That is what I was hoping.

Mr. Mackasey: It is unfortunate that it has not. I must say to the hon. lady, however, that if it has not she should look around at members on that side of the House for the particular reason since most of them insisted, once again, on discussing events leading up to the last election. It boggles the mind somewhat that many, many months after the election, speaker after speaker from the opposition has taken this approach. I feel sorry for the hon. member who set the right tone and raised the international complications and implications of a worldwide energy policy, and who now finds that the debate has bogged down and become a repeat performance of the issues that dominated the last election.

I believe it was a former minister, the hon. member for Etobicoke Centre (Mr. Wilson), who referred again to the almost immoral action of the NDP and the Liberals in "ganging up", I think is the expression he used, to defeat the government of the day last December. It is unfortunate that he has forgotten that the real defeat was not in December; the real defeat was in February, after the people of Canada had a chance to analyse the policy of the Tory government and found it discriminatory, ineffective, and hardly suited to the 1980s.

Although the government was defeated in December by the collective vote of the opposition parties, that government had an opportunity to be returned with a greater majority, if they had not been so adamant in stating that if they were returned they would introduce again precisely the same energy policy, without the slightest change.

I think that between December and February Canadians, at first glance appalled at the thought of another election so soon, concentrated on the issues. Because the December budget was, in effect, a piece of legislation through which the Tory energy policy was enunciated, it is logical that the debates during December, January, and February centred on it. The government of the day had ample opportunity to explain its policy to the Canadian public, to explain the need for conservation, to explain the need for a policy. The people listened and found that government wanting.

The one conclusion that I came to after listening to the debates and participating in the election campaign, was not that people were particularly concerned about paying an additional 18, 20 or 30 cents for a gallon of gas; that is inevitable—

Mr. Friesen: It is?

Mr. Mackasey: It is inevitable.

Mr. Friesen: All right.

Mr. Mackasey: What is important is that the increase should not be imposed in the discriminatory manner in which the government of the day was prepared to impose it.

When I heard the argument that the price had to be raised in order to conserve gasoline, I knew that it would not convince the farmers in Lincoln. Whether gasoline was $2, $3 or $4 per gallon, they would have to use the same amount to earn a living, or cultivate their land. The people could not understand an energy policy that on the one hand asked them to leave their automobiles at home and use public transportation and, on the other hand, put an excise tax on transportation.

Fishermen could not understand how they were expected to cut back on the use of fuel and gasoline despite the increase that was proposed, when the only way they could survive was to pay the tax and continue using energy.

Once again, the Tory policy seemed to say, "If you can afford the increase, so be it." As usual the farmer, the cab driver, and people who had to go to work by public transit, the fisherman—the little fellow—would be expected to pay the 18-cent excise tax.

It is amazing how insensitive that governent was. It failed to appreciate that the excise tax that already existed did not apply, because of rebates, to the farmer, to the commercial traveller, to the cab driver, and to people who had to use their automobile or tractor in order to earn a living. These people rose up in anger in the last election.

I think hon. members opposite would now agree that, all things being equal, it might have been a little wiser of the Conservative party, during that two-month period, to have suggested that if they were returned they would exempt those traditional groups who, because of their profession or background or way of life, had to use gasoline, and for whom it was not a luxury.

The problem is not how much gasoline costs but, rather, that policies be applied with equity, justice, compassion and understanding—that we do not penalize that segment of society which is least able to protect itself. I suppose in many ways that is the difference between our two parties, Mr. Speaker. We in this party care about people.

If gasoline were to cost $2.50 or $3 per gallon it would not prevent anyone who wants to drive a Cadillac, a Mercedes or whatever, from doing so. Those people can only be attacked through rationing. An extra 18 cents per gallon for the farmer or nurseryman in Lincoln, or the fellow who has to drive 12 miles to the steel company, or people who go to work in buses which pass on the 18 cents in the form of increased cost, shows insensitivity to their position. It is obvious that the government of the day was not defeated on its energy policy; it was defeated because of that insensitivity. I am surprised that all these months later that party still has not realized that they were not defeated in December; they simply were not re-elected in February. There is a fundamental difference there, and one that they should heed.

They had the opportunity to go to the people and say, "Look at the big bad coalition of NDP and Liberals who defeated us. They did not give us a chance. We have only been in office nine or ten months and we have only had six months to study the issues in Banff or Jasper, or whatever secluded area. We were just back and the big bad opposition ganged up and threw us out." When they were thrown out they had an opportunity to explain their energy policy to the public—why they would put an 18-cent excise tax on a gallon of gas even for the farmer, the fishermen or the cab driver. In fairness to the opposition, I must say that they tried, but smug in their arrogance about their policy they went so far as to say, "We would not change a comma—not a semi-colon. If re-elected we will do exactly the same thing."

As a government they may have underestimated the opposition, but they made a more serious error in underestimating the intelligence of Canadians who recognized their energy policy as disastrous, discriminatory, and unnecessary.

I think all of us would agree that we must move to energy self-sufficiency. We must be as independent as we can from foreign sources. The motion of the hon. member for Kingston and the Islands reads as follows:

That this House deplores the Liberal government's indifference to the consequences of the global oil crisis and condemns its failure to provide a comprehensive energy program that would make Canada self-sufficient in energy.

We are self-sufficient in energy, Mr. Speaker, we are one of the few countries in the world that is self-sufficient in energy. We have a surplus. At this moment we are exporting natural gas, coal, uranium, copper—you name it. We have a surplus. Where we have a shortage is in oil, a particular form of energy. The prime objective of this government, as the minister has stated on ample occasions, and he repeated it today, is to divert industries and homes from the use of oil, wherever possible, to natural gas. It is not a policy that is unique to Canada. England announced a growing emphasis in this particular field about two weeks ago.

● (2030)

That was the rationale behind the extension of the pipeline to Quebec City and eventually to the Atlantic provinces so that we utilize natural gas as much as possible rather than oil. That is the reason why we are spending millions of dollars in research for other forms of energy for our automobiles. That is the reason why we have brought in such programs—and maybe the opposition did—in the whole field of insulation. The whole thrust of this government is to reduce the use of oil and that has been going on for some considerable time. Frankly, offshore oil is the greatest single contributing factor to inflation in the seven industrialized nations whose representatives met in Venice recently. It is stated right in their policy paper.

I am sure that we all agree with the objective, which is to make Canada self-sufficient. Where we differ with the Conservative party is how we do that. How do we force people to conserve? The previous government of the day suggested putting an 18-cent excise tax on the farmer and the fisherman and maybe he would only fish and farm half of the week. It is mind boggling how such a program could result not only in the defeat of the government in December but in a very definite defeat of the party in office by the people.

It is wrong to say that this government does not have a policy. Its policy has been enunciated a dozen times by the minister. It is reflected in actions. It is reflected by the commitment to the extension of a pipeline through to Quebec and eventually through to the Atlantic provinces, or if Sable Island proves to be the success we think, it will no doubt result in natural gas being available to the maritime provinces—certainly the Atlantic provinces—from Sable Island.

There is another fundamental difference in the policy between the opposition and the government, one that was clearly elaborated and discussed almost ad nauseam during the election campaign, namely, Petro-Canada. Now the member opposite does not like it. Why would he? I would not either, if I was sitting there. But in 1975 the Conservative party made it clear their concept of private enterprise was so pure—and rooted in Adam Smith's time, certainly in R. B. Bennett's time—in no way should the government of the day get involved in such a terrible thing as Petro-Canada.

Mr. Waddell: It is an Irish company.

Mr. Mackasey: Well, we did. In fact we even let the NDP help us a little bit. It is there. The bill was passed in all three stages. I think the Conservatives voted against it, on all three stages as I recall. That is true to their convictions, philosophies and ideals. I will have to say that the Conservatives are consistent because, from the moment they formed the government, they decided to destroy Petro-Canada. They made it clear. They got the head of the Treasury Board to do all kinds of studies and to roam around feverishly to see what private groups would buy PetroCan, at what price and so forth. Just to make it clear where they stood on PetroCan, I think they cut off about $80 million from its budget and made it clear that the company was not to expand and that it was on borrowed time. The word went around among the key people in Petro-Can that they had better start looking for other jobs.

I do not hear the opposition members now getting up in this debate and suggesting when and if they get back into power that they would destroy PetroCan. It has proven to be a very big success. Perhaps it is a surprise to members opposite to

find that perhaps the greatest booster of Petro-Canada today is private enterprise. In many of the projects in Canada, especially where it is very risky and where it takes risk capital, private enterprise is sitting down with Petro-Canada and plotting out future moves. For instance, Hibernia, the Beaufort Sea and all these things, which the hon. member for Davenport (Mr. Caccia) talked about earlier today and which I am not going to repeat, are all concrete examples of how government and private enterprise can act in concert. Unlike the NDP who would buy it outright, we vary to a degree.

Some hon. Members: Oh, oh!

Mr. Mackasey: If there are some fresh ideas from that party, I would be tempted at times, but I think I lost all my illusions with that party in the field of energy when a former leader found himself as a director of one of the largest private enterprise oil companies in Canada.

Some hon. Members: Oh, oh!

Miss MacDonald: To say nothing of being president of Air Canada.

Mr. Mackasey: I think the hon. lady who introduced the motion did bring a dimension to the debate that is necessary and useful by bringing it onto an international plane. She emphasized the fact that perhaps we do not talk about it enough. But this problem is not unique to this country. We are one of the fortunate countries to have a surplus of energy, even though we have a shortage of oil. Other countries have a shortage of all forms of energy. This is certainly true of the emerging nations.

What did come out of Venice? What did the seven leaders and their officials who discussed the whole thing—what did they think? It was their realization that the OPEC policy, its cartel and the terrible cost of oil, which has become a necessity in this world as we industrialize, are really the main causes of inflation. I often wish the fiscal policies of some of those governments would reflect an appreciation that that is the cause of inflation.

Before the dinner hour I read the documents that came out of that meeting in Venice in order to find out what solutions there were and how they differed from those of the present government. What was suggested? The very same thing which the minister of energy for Canada has suggested ever since he took over the position in May, that is to break the link between economic growth and the consumption of oil. In other words, conserve oil on the one hand, and increase substantially the production and use of alternate energy sources on the other. That is exactly what we are trying to do by encouraging the use of natural gas in this country.

An hon. Member: Are you going to export it?

Mr. Mackasey: Yes. The hon. member is very concerned, as a good socialist, that we will be exporting natural gas. I am fully in accord with the exporting of natural gas to the United States. I have no trouble at all with that policy. I do know that there are anywhere from 8,000 to 11,000 natural gas wells capped at this very moment in Alberta because a market cannot be found. I think it is ridiculous to deny the Americans natural gas providing, as the hon. member stated earlier, that some of the cash flow is used for further development, exploration and refinement of that industry. I have no trouble at all dealing with that argument.

The socialists over there would cap all the natural gas wells other than those with which their former leader is associated, and take the caps off 50 years from now. That is a little silly.

Mr. Waddell: It is profitable though.

Mr. Mackasey: The hon. member reminds me of something that Bernard Shaw said, "Anybody under 40 who is not a socialist needs his head examined, and anybody over 40 who is, should also have his head examined."

At the Venice Summit it was suggested the major planks of the seven countries for their energy strategy would include increased investment in alternate energy sources. We are doing that. We are providing millions of dollars for a pipeline to be extended to the Atlantic provinces. Provision of incentives to help substitution of oil in both industrial and residential use was also suggested. We are already doing that in Canada. That is part of our policy, to use natural gas, and to use coal and use electricity wherever possible rather than oil. The introduction of new—

• (2040)

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I must say I appreciate the comments of the previous speaker. I certainly enjoyed what he had to say. I was somewhat alarmed, however, about his comments regarding the sale of natural gas, recalling a previous member from across the way, a minister, who not that long ago suggested we had enough oil in Canada to last 900 years. I was suspicious that we might be hearing a repetition of that.

An hon. Member: Was he a Liberal?

Mr. Riis: Yes, he was a Liberal. I also appreciated the former speaker's comments regarding one of the pages that the Liberal party tore from the NDP handbook, that of PetroCan.

Some hon. Members: Oh, oh!

Mr. Riis: While recognizing that indeed it was the Liberal party that bore PetroCan, we must keep in mind it was the NDP that conceived PetroCan.

Some hon. Members: Oh, oh!

Energy

Mr. Riis: I am very pleased to have an opportunity this evening to speak in this debate on what must be the most important topic before Parliament this session and, indeed, the most important topic facing Canadians today, that of energy. Our future is at stake. As the previous speaker from Surrey-White Rock-North Delta (Mr. Friesen) indicated, we are also concerned tonight about the future of our children when speaking about Canada's energy future.

Unquestionably a great deal more attention must be paid to the question of our energy future by both government and Parliament. Listening to the speakers from the government on this issue, I am reminded of my years at university, taking courses in policy-making and planning. My professors would stress how important planning is for business, industry, cities, families and, indeed, government. They would outline the process of planning as being three simple steps. The first was the establishment of a clearly defined goal; second, to identify strategies to attain that goal; last, to implement those strategies in a satisfactory way toward that end.

I suggest that the Liberal government has failed at step one. What is our goal in terms of our energy future in Canada, let alone what is our strategy for our energy future? We are distinguished among nations of the world as being one with no comprehensive national energy policy. Now, like never before, we are in need of one. Now, like never before, we are in need of strong leadership. It really is a political decision and a political priority requiring backbone and courage to come to grips with this very crucial issue.

The tragedy, of course, is indicated here today in the fact that this discussion on our energy future comes up during opposition day. An earlier speaker, the hon. member for Eglinton-Lawrence (Mr. de Corneille) indicated that "here is a chance to explain our policies". I ask, is this leadership from a government that waits until an opposition day before this crucial issue is discussed in Parliament? Is this courage being demonstrated by the present government?

In his speech earlier today, the minister indicated that Canada has an energy policy. That will be news to many Canadians. Ask the members of his own party, what is their energy policy? Ask the members of this House what the energy policy is of Canada. Ask the oil companies. They would be happy to know. Indeed, ask Canadians what our energy policy is. I suggest that our inability here in this House to articulate our energy policy indicates the reality of the whole situation. The language we use in a sense betrays our confusion, in that tonight we are discussing a motion concerned with the lack of a comprehensive energy policy that would make Canada self-sufficient in energy.

We have read comments by various ministers and other people within the Liberal party, commenting on the need for energy self-sufficiency. We have energy self-sufficiency today in Canada. We are net exporters of energy in the form of hydroelectric power, natural gas, coal and oil. Perhaps members opposite ought to get together in their caucus and come to grips with just what in fact the wording is, regarding energy self-sufficiency.

I would like to review the dilemma facing Canada in a particular context. Canada has the unique reputation in the world today of being one of the most wealthy nations in terms of its natural resources, thanks to the generosity of nature. However, we are also the most underdeveloped industrialized nation in the world. We devote a smaller percentage of our gross national product to research and development than virtually all other industrialized nations, with the one exception being Greece. We have more foreign ownership of our economy both in absolute and per capita terms than any other nation in the world. We are the only energy-rich nation in the world that has handed its strategic oil and gas industry, and thus its energy future, over to foreign corporations.

In an era of growing energy scarcity, we are distinguished among peoples by using more energy per capita than any other country in the entire world. It is amazing that the rest of the world takes us even half-way seriously. The fact that Canada was even asked to participate at the Venice Summit talks can only be interpreted as a tribute to mother nature, and surely not a recognition of leadership provided by this government. The Liberal government has failed to provide the much-needed leadership during these crucial energy times, and there is little indication of change. Certainly we have heard nothing today that would indicate any change for the future.

It has been seven years since the energy crisis first hit the United States. However, we in Canada never had to face the problems that American citizens faced a few years ago—lineups at the gas pumps and serious shortages of home heating fuel. The prices being paid for gas in the United States, Europe and Japan, we have not had to face. This, of course, has tended to reinforce and prolong wasteful industrial and consumer practices, raising energy comsumption per capita in Canada to record levels. This shows a singular lack of leadership on the part of this government in that it has failed, and I must stress that term failed, the Canadian people. It has failed to develop actively and implement through policy the principles of conservation necessary to build a conserver society.

• (2050)

Surely our first line of defence in this energy battle must be conservation and substitution. The federal government has failed to promote aggressively research and development of alternative energy sources. The Canadian government has indeed supported research and promoted the development of the Candu nuclear power technology, but I suggest that the use of this technology is highly questionable on both safety and moral grounds, and it is certainly unnecessary within the Canadian context. If there exists a country in the world today which does not need to run headlong into the development of nuclear technology and nuclear energy, it is Canada. What country in the world has the energy resources at its disposal that we have? I suggest that we are not heeding that and in fact are running headlong at an unnecessary pace.

A responsible energy policy in our country should have as its foundation a comprehensive conservation program. It is possible, for example, to match the output of a multi-million dollar

Beaufort Sea oil well or a multi-million dollar oil sands plant by simply not using oil the way we do.

There is a very tremendous opportunity to save energy in Canada by re-insulating and improving the design of our homes, by improving energy designs and standards across the country, using automatic thermostat adjustments, more efficient industrial practices, building lighter and more fuel-efficient automobiles, discouraging the use of single passenger automobiles, improving public transit systems in our urban centres and developing solar, wind, wood waste, tidal and small stream alternative energy sources.

A recent study by the Canadian Energy Research Institute indicates that an annual saving by 1985 of no less than 29 million cubic metres of crude oil equivalent is possible if all residential, commercial and transportation sectors were mobilized to introduce and adopt conservationist alternatives. This would more than match the combined output of both Syncrude Canada and Suncor tar sands plants at Fort McMurray by the year 1985, five short years away.

Another way of looking at these conservation measures is that the savings would potentially reduce Canada's current level of oil imports by 35 per cent, a problem which has been thoroughly discussed and examined tonight by a number of speakers. This is a devastating aspect in terms of our balance of payments, and this would be a simple and very humanistic way of dealing with that dilemma.

It is imperative now, before it is absolutely too late, that the Liberal government provide leadership in this area of alternate sources of energy and substitution of energy. Unfortunately, the leadership has not come at the federal government level up until this point.

I use as an example of this a school in my riding of Kamloops-Shuswap where the local school district took the initiative and provided the leadership to construct a prototype school which would be energy-saving, utilizing solar energy for heating purposes. In terms of its energy-saving devices this school has been successful beyond the wildest expectations of the school board and its advisers, and the solar energy component has been extremely successful. I recognize that funding for this prototype was provided by both the provincial and federal governments, but from the federal government only after a considerable amount of time literally begging for a few thousands of dollars to experiment, and that, I suggest, is not the kind of leadership our federal government should be providing in this area.

Something more recent which I dearly hope and pray that the Minister of Energy, Mines and Resources (Mr. Lalonde) considers seriously is a proposal from Seymour Arm along Shuswap Lake in my riding. A small community of 300 dwellings and a number of small forest operations plus a few thousands of tourists in the summer now depend upon approximately 50 private generators for the creation of electrical power using one thousand barrels of oil annually. Nearby three streams exist coming off the mountain peaks, and the community wishes to harness the energy in these streams and has asked the federal government for support in its effort. The federal government should provide this leadership. The federal government could provide research and development of small scale hydroelectric technology and provide encouragement and support for the development of this small scale energy project. This would recognize that we want to use our renewable resources. It would reduce our dependency on fossil fuels, and it would provide encouragement to Canadian manufacturing firms.

I would like to end with a modest proposal in terms of Canadianizing our energy industry. Our oil industry in Canada has a very special status. It has repeatedly and with considerable success convinced the federal government and consumers that higher prices are necessary to ensure adequate energy supplies in the future. By and large I suspect that Canadians agree with that. What the oil industry is really saying, however, is that this business is so risky that it cannot afford to go to the equity or bond markets or to the banks to get the necessary capital to finance its exploration in energy supply programs, so what it does is add a surcharge onto the price of oil and gas products.

The consumer provides the risk capital through a higher price in the marketplace, risk capital that the oil companies do not have to pay dividends on or interest on and never have to pay back. Of course the oil companies do not explain this to the consumer because it is not enough. They want even more. That is why the consumer as a taxpayer also provides the oil companies with all those tax breaks, investment tax credits, accelerated depreciation, depletion allowances, super deletion, and deferred taxes. Imperial Oil has now accumulated half a billion dollars in deferred taxes. Rather than worry about collecting those taxes in the future, why not have the government receive ownership equal to the amount of those deferred taxes?

Some hon. Members: Hear, hear!

Mr. Riis: This would provide Canadians with ten million Imperial Oil shares, at the present value. I suspect that we are not going to see those deferred taxes ever, ever, and I suspect that ten million shares in hand would certainly be a much more appropriate approach. Considering the earlier comments, is it any wonder why the oil companies' profits are so unconscionably high? Would small businesses across our country not welcome those same benefits which we give to the major oil companies, the seven sisters? If Canadian consumers are providing the bulk of risk capital used for exploration by the oil companies through paying higher prices at the pump, they should be receiving an equity position in the oil companies for that investment.

For example, if a person were to buy 4,000 litres of gas from Gulf Canada during the year and, out of an average price of 25 cents per litre, Gulf spends two cents on exploration, then this consumer over the year has financed $80 of Gulf's exploration package. If Gulf common stocks are selling now at $30 a share, then this consumer should be entitled to two and two thirds shares of Gulf for that particular year.

We must give large foreign oil companies credit. The Canadian government has allowed them to charge higher prices, part of which is used, by their own admission, to provide risk capital for exploration and to expand further their ownership and control of Canada's energy resources. They do not have to pay interest or dividends on this money and, what is more, they do not even have to pay it back. It would be a big step into the twentieth century for this Liberal government to recognize that it is the Canadian consumer through paying higher oil and gas prices, and the Canadian taxpayer through generous tax and investment incentives to the oil companies, who are really financing the development of Canada's energy resources. Consequently, we would go a long way in repatriating our energy resources if we required foreign-owned oil companies to provide Canadian consumers and taxpayers with equity ownership in exchange for their, so-called, investment.

• (2100)

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I was very interested in the comments of the last speaker, the hon. member for Kamloops-Shuswap (Mr. Riis), and in his proposal that, in return for some tax concessions, oil companies give the Canadian people some equity. In essence, I want to point out to the hon. member that this is the same line of thinking that we had with respect to PetroCan because there is a far greater difference in benefit, I suggest to him, in having the Canadian people own a corporation and have individual Canadians hold the shares of that corporation, receive dividends from it, go to meetings and take an interest in it, than there is in having that corporation owned by the state. I think there is a subtle distinction.

Some hon. Members: Oh, oh!

Mr. MacKay: I see that some hon. members over there are disturbed by what I am saying—

An hon. Member: So were the voters. Look at what happened!

Mr. MacKay: I believe that there is a much different feeling among Canadians who own corporations individually and collectively in shareholding than there is in their owning of the CBC or of Air Canada. They can be very proud of these corporations, but they do not have the same feeling of participation and ownership in them. I am only pointing that out to say that it is interesting that the hon. member for Kamloops-Shuswap should bring that line of thinking to this debate, and I should like to discuss this with him some time.

I was also interested in the remarks of the hon. member for Lincoln (Mr. Mackasey), a distinguished member of the House for many years. He castigated us on this side of the House for bringing in matters pertaining to the last few months and the election, and then proceeded to do just that himself and to build a great deal of his speech around it. He was rather selective in his language. He spoke about the benefits that his farmers and fishermen in Lincoln were not getting. I did not realize there were so many commercial fishermen in Lincoln. But he failed to mention the energy tax credit, which is another part of that equation. He talked, and rightly so, about the initiative of the hon. member for Kingston and the Islands (Miss MacDonald) in bringing this important topic for debate, and I certainly agree with him there. I think all members would agree that she brought an important international dimension to the debate today. She spoke about the needs of the Third World. She spoke about the strategic and even military importance of oil as a commodity. She spoke about the various balances that had to be maintained in our global community. I think we should all commend her for that.

I would have liked to have seen a more direct approach to that sort of thinking from the other side, since it was the Liberal government in the last number of years that had, through sheer tenure of office, the opportunity to do many of the things that they now claim they have done and in fact have not.

I think it would be useful, Mr. Speaker, to put on the record a barn-burner of a speech which the Prime Minister (Mr. Trudeau) made when he was campaigning in Halifax on January 25. I referred to it briefly before in this chamber. Let us see what he said of the Liberal party's energy policy, following which I will indicate to the House, or perhaps we should all consider, just how far the Liberal party and the government have come to making a start. The Prime Minister said at that time:

> The Liberal plan seeks to achieve energy security at a fair price for all Canadians.

That is very commendable. He went on to say:

> Our energy program for the 1980s consists of seven major commitments. We would start at once to:
>
> 1) Set a made-in-Canada pricing policy to secure adequate supplies of energy at reasonable prices.

I do not see that this has been done yet, nor do I see any great progress.

He went on to say:

> 2) Achieve energy security through the accelerated development of Canada's domestic potential and the ensuring of Canada's offshore supply.

Again, to be fair, I do not see much progress there either. The President of Mexico came to this country. He had a cordial visit. I think it would be generally conceded that, when he left, Canada had achieved much less in the way of security of petroleum supply than we had hoped or than we had been led to believe would occur.

The Prime Minister went on to say:

> 3) Develop a more balanced energy program through the replacement of oil by natural gas and other energy forms.

Well, sir, I and other members in this chamber have been urging the government to get on with the provision of a pipeline for natural gas to the Atlantic region. That has not been done yet, and despite the specific commitment which was made later on in this very same speech, the most we can get out of the Minister of Energy, Mines and Resources (Mr. Lalonde) is that it is the preferred option or that he is interested in it. So much for that commitment.

The fourth commitment made by the Prime Minister was as follows:

> 4) Strengthen and expand Petro-Canada as an instrument of national policy.

Perhaps this has been done, and to that extent I commend the Prime Minister and the government for it.

His fifth commitment was:

> 5) Place a new emphasis on conservation and the promotion of energy alternatives.

I do not see any there. As a matter of fact, coming back to something which the hon. member for Kamloops-Shuswap said, he neglected one item which I think was promised, that is, a closer supervision and discouragement of the kind of use that is made of oil to heat large buildings and private homes. A tremendous amount of emphasis has been placed on the automobile industry, getting them, in an attempt to save petroleum products, to bring out cars that are more energy efficient, and yet there are many buildings in this country which consume enormous amounts of oil and in which the furnaces have nozzles that are not suitable. All they succeed in doing is sometimes causing them to burn twice the amount of fuel that is required and destroying the furnaces in the process. There should be some energy conservation program specifically directed at what I consider to be an almost criminal practice of using precious petroleum to heat buildings in larger amounts than is necessary.

Another point which the Prime Minister emphasized in Halifax on January 25 before the Halifax Board of Trade, was:

> 6) Ensure that Canada's energy sector becomes more Canadian owned and controlled.

I do not see any initiatives there, either.

His last commitment was:

> 7) See that energy becomes part of the larger economic strategy, forming the core of any industrial or regional development approach.

Again, on the seventh commitment I cannot see any tangible progress toward its achievement. Those commitments were made in January of this year. One thing the Prime Minister did not mention, which I would have thought he would have particularly emphasized in the Atlantic region, was some sort of strategic storage program for petroleum. As the hon. member for Kingston and the Islands pointed out, western consuming nations are not equipped to withstand an even temporary interruption of oil supplies.

It is well known to the government that just about a year ago tremendous interest was being shown by a consortium of Home Oil and Gulf Oil to store approximately 68 millions barrels of oil in salt caverns in Cape Breton Island near the Strait of Canso. At the same time another corporation, at the initiative of Power Corporation, were going to store 90 million barrels of oil in an abandoned iron mine on Bell Island in Newfoundland. This type of conservation must, I suggest, be implemented sooner or later. It is particularly appropriate for oil, but it could be extended to other commodities as well, and it should not just be concentrated on the east coast of Canada. Provisions should be made on the west coast as well.

If the western industrialized world is ever held to ransom even for a short time by the Soviet Union or its satellites, we would not have the raw material to survive, whether it is petroleum, cryolite, whether it is chromium, or whether it is some other type of commodity. It is becoming more and more evident, as the hon. member for Kingston and the Islands, the former secretary of state for external affairs, pointed out, that our security of supply is becoming more and more tenuous. The Soviet Union has long had its eye on Iran. Some of us can remember the days when the crying prime minister of Iran, Mohammed Mossadeq, was practically a Moscow puppet, and strenuous efforts were required to get the Russians to back off at that time. I think President Truman of the United States had to make extraordinary efforts in that direction.The Soviet Union is not the type of country which would be easily deterred, and it is just as anxious to take Iran as it is to take Afghanistan. Their aims have not changed.

I should now like to quote Lubor Zink, a columnist who is probably not read enough or listened to enough, who does meticulous research. Some members in this chamber may smile at that, but I suggest to members that Lubor Zink is one of the best authorities to whom we can turn regarding the intentions or, indeed, the charting of what the communist world hopes to achieve. He pointed out that Soviet grand strategy is now grounded in the mutual support of military sub-systems on four continents, and he goes on to describe them. Also he pointed out that three-fifths of the world's oil is now nearly encircled by military allies of the U.S.S.R. in South Yemen, Ethiopia, Syria, Iraq and Afghanistan. He indicated that the southern third of Africa, the Saudi Arabia of minerals, is under siege by Marxist guerrillas. Mr. Zink wrote that a good look at these facts leaves little doubt that NATO cannot be sustained if the links of a Marxist commonwealth the Kremlin strategists are forging were to choke off the flow of oil, essential minerals, and seaborne commerce that is essential for Europe, Japan and the United States.

• (2110)

In this hemisphere we have the potential of getting oil from other nations. We do not seem to have done too well with Mexico. I suggest part of the reason we have not, as was indicated by one of our speakers today, is that we do not have the financial muscle any more to make the kinds of deals that are advantageous with some of the oil producing nations.

One country which has been overlooked and which shares the extremity of this hemisphere with us is Argentina. Argentina is rapidly approaching energy self-sufficiency the same as we are. In its territory of Tierra del Fuego, the explorations for oil, some of which are being carried out by Canadian companies, will soon make that country self-sufficient in oil. As well, Argentina is providing a market for Bolivian natural gas to help that country, and it is thinking of entering into an arrangement with Brazil, not only with respect to natural gas but also with respect to hydro power to stabilize the energy needs of that region. It is at potential major suppliers of energy, such as Argentina and Mexico, that this government ought to be looking in order to supplement our own position until we are able to develop some of the alternate sources of energy to which many speakers have referred this evening and earlier in the debate.

We seem to have forgotten very quickly the lessons the OPEC nations tried to teach us. We continue in this country to buy expensive oil from OPEC. We do not want to pay this money to Alberta. We would rather buy it from OPEC. By keeping an artificially low price in this country, we encourage the wasteful consumption of that commodity which costs our federal treasury so much to import. Unless we do something to become more realistic in our attempts to balance the needs of this country, we may very well have to go back to some kind of rationing.

It seems to me that there is something extremely wrong when a country like ours which is selling petroleum and keeping the price artificially low domestically also is subsidizing the automobiles, aircraft and fishing fleets of other nations at the same unrealistically low price. If we are to encourage Canadians in all walks of life without restrictions whatsoever to burn precious petroleum, particularly gasoline, without charging them the proper price, then we may very well have to consider imposing some kind of allocation or rationing on people who do not need to burn this much gasoline to make a living. Right now anyone can go out and drive as much as they wish in as energy-wasteful a car as they want to purchase, without any inhibitions whatsoever. We just wonder how much longer this can go on.

Not many months ago the Prime Minister, in his widely-publicized speech in Halifax, told the Halifax Board of Trade that we must move on our oil problems now, but we must also think ahead. I would like to see some indication that he is thinking ahead and will do something. On page two of the speech he went on to say something very profound when he talked about the OPEC countries. He said:

> I say that what is good for OPEC is not now in the interest of Canada.

I wonder if it ever was in the interest of Canada. We can only reflect and try to learn a bit from the lessons of history how advantageous it might have been if western nations and western oil companies were a little more forthcoming in the price they paid OPEC countries for oil ten years ago. It was only after some of the young, middle-class or upper-class people from those countries had the opportunity to come to western universities, see for themselves what the situation was and then go back to Arabic countries, that they realized how they were being cheated out of a non-renewable resource and how they were selling their resources—in many cases the only resource they had—for something over $1 a barrel, as was pointed out by the hon. member for Kingston and the Islands, while enormous profits were being made and enormous wastes were being caused by the profligate use of that precious, non-renewable resource. But those days are over, and now the western nations and even the Arabic countries themselves are paying for them. This is because of the tremendous amount of inflation and international tensions that are caused and have been caused by the unwise and shortsighted use of a very precious commodity which is rapidly running out.

To be regional for a moment, as far as the needs of Atlantic Canada are concerned, it seems to me that as the development of Hibernia oil becomes more and more promising, there could be no higher or better use of that commodity than to proceed to carry out the project discussed about a year ago by our government and the United States to fill some salt caverns in the Strait of Canso area, or the abandoned mine on Bell Island with some petroleum from Hibernia. At least then we would have some security of supply, and from there we should immediately try to stockpile other sources of petroleum and move into other commodities, whether they be foodstuffs or strategic metals. It does not seem logical or reasonable, taking a close look at the international scene, that the Soviet Union or indeed many other nations will continue to refrain from, if not acts of aggression, then calculated acts in their own self-interest.

We in Canada have not been nearly shrewd enough in the way we have conducted our affairs. I guess all of us in the House of Commons and all of us, period, are equally guilty in that we have not highlighted some of these concerns years ago. If we took better care of our country, if we managed our country better, we would not be in the state of tension and the state of constitutional unrest in which we are today. I only hope the government opposite are not using some of the understandable concerns of this country about the constitution to mask their own incompetence in running this country for the last number of years, which has contributed to this very unfortunate situation for us.

It may be a bit irrelevant, but I must put on the record my own concerns in this respect. I am far more worried about some of the well-meaning but over-enthusiastic constitutional reformers than I am about any separatism either in the east or the west. Basically I think we have a very sound country. It is unfortunate it has not been run better. Rather, if we could fine-tune our Constitution and make some revisions in it, whether it be in telecommunications, an elected Senate or what have you, instead of, to use an old German proverb, "throwing the baby out with the bath water", we would be much better off. Indeed it is refreshing to be here this evening talking about matters of energy, global energy concerns and something which is basic to the autonomy of our country, rather than trying to get through the semantics of some of the rather obtuse arguments being put forward under the guise of national emergency respecting our constitution, a constitution which has served this country pretty well ever since confederation.

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is a great pleasure for me to take part in this debate tonight to address the motion put forward by the official opposition which may have set a record in this House by its vagueness. The motion condemns this government for its "failure to provide a comprehensive energy program for Canada." I find it a curious position to be put forward by members opposite.

● (2120)

This morning I forced myself to re-read the Speech from the Throne delivered on October 9, 1979. I had anticipated a party which knew what a comprehensive program was not would know what a comprehensive energy program was, and that it would be reflected in the Speech from the Throne delivered by the leader of that party. What I found was four statements, and I would like to read those four statements to you, Mr. Speaker.

First, it stated the way to build a whole nation is to respect our individual parts; second, agreement in principle has been reached with certain coastal provinces concerning offshore mineral resources; third, self-sufficiency in energy by 1990, and this would be accomplished in consultation with the provinces, and seek to encourage a reduction in Canada's over-all energy consumption, and stimulate expansion in our capacity to supply and distribute energy in various forms and, finally, accept and respect provincial jurisdiction over resources.

Let me suggest that members read the Speech from the Throne delivered on April 14, 1980. The first thing you will notice is that this document reflects criticisms made by the leader of my party on October 10, 1979, in his response to the four points I have just mentioned which were put forward by the now right hon. Leader of the Opposition (Mr. Clark).

The second thing you will notice is that this document offers a ten-point energy plan based on two goals; first, achieving security of energy supply at a fair price for all Canadians and, secondly, strengthening national institutions while at the same time making them more responsive to provincial and regional goals.

On October 10, 1979, Mr. Trudeau stated:

> I need not remind this House that the problem of guaranteeing a sure supply of energy to Canadians at a price they can afford is the most urgent and critical economic issue facing this Parliament.

This position has become a commitment for the Liberal government.

Speaking to the Canadian Manufacturers' Association on May 27 of this year, the Minister of Energy, Mines and Resources (Mr. Lalonde), who has already spoken so admirably in this debate, stated:

> Our aim is to give all Canadian consumers a fair deal . . . to keep the economy growing and keep the national debt within bounds; above all, to hold the country together. We need a pricing policy that serves these aims, not the policy aims of foreign and not always friendly nations.

A single national price for consumers of oil is one of the ten policy initiatives referred to in the Speech from the Throne of April 14. Others include an oil price based on Canadian conditions and circumstances; the establishment of the petroleum price auditing agency to report on oil company costs, profits, capital expenditures and levels of Canadian ownership; the maintenance and expansion of Petro-Canada; the creation of a new Canada oil and gas act for preferential rights for Petro-Canada and other Canadian companies of federal land and the establishment of new and more demanding requirements for exploration and development in frontier areas; and 50 per cent Canadian ownership of the petroleum industry by 1990.

A sixth initiative is the reduction of dependence on imported oil by promoting conservation and stimulating production of new domestic energy supplies.

This final area is an area which I have followed very carefully since coming to Ottawa in 1975, especially since becoming a member of this chamber on May 22, 1979. I wish to spend the remainder of my time addressing the issues of conservation and renewable energy sources in this debate.

The energy conservation program which exists in Canada, and I repeat the word "exists" because it does exist, started to come about in a very meaningful way in 1974. It was conceived in that year when the initial OPEC crisis occurred. It was conceived and implemented by an earlier Liberal government. I will deal with conservation in terms of various sectors. There are four sectors with make sense in dealing with a conservation program. First of all there is industry; second, commercial and residential; third, transportation; and, fourth, research and development.

Hon. members who have preceded me in this debate have indicated that the previous Liberal government did nothing in the area of conservation, did nothing in the development of renewable energy resources, and did nothing in the development of alternatives to the use of oil and gas. I tell you that is pure nonsense.

In the area of industrial energy conservation the industry program is operated on a voluntary basis through 14 industrial energy conservation task forces established in 1975. Some of the measures available under this industrial energy conservation program are: first of all, assistance to undertake energy audits at the plant level so that a firm can determine how much energy it is using, where it is not using energy efficiently and what can be done to improve energy efficiency of the operation; second, co-operative government—industry communications programs which include publications, seminars and regional workshops between government agencies, academic and industrial units; a pilot project in Nova Scotia and Prince Edward Island to provide grants for consultant advice and capital equipment to improve energy efficiency; an industrial energy conservation research and development program to encourage the development of new or modified energy efficient processes; and studies to determine the potential for co-generation in Canada, and the identification of opportunities to improve energy efficiency in various sectors of the industry.

Industry has essentially achieved its 1980 over-all goal to improve energy efficiency by 12 per cent since the program commenced in 1975. The task forces' new goal is to increase efficiency beyond the 12 per cent to 23 per cent by 1985.

In the area of commercial-residential energy conservation, there are several major thrusts in the housing area: there is the CHIP program—the Canadian Home Insulation Program; there is the home insulation program in Prince Edward Island and Nova Scotia which has some differences from CHIP;

there was an oil furnace retrofit pilot project introduced to help individuals improve the efficiency of their oil furnaces in their homes; there were energy efficient new housing demonstrations put on by the Department of Energy, Mines and Resources; and there was the Enersave program, a computerized home energy audit available free of charge to Canadians. It recommended cost effective actions for reducing energy consumption through re-insulation and thermostat setback techniques. All those measures were in the area of housing. The suggestion was that there has been no energy conservation program at all—I can see that already!

Having regard to buildings outside homes, a national federal policy has been formulated toward the development and application of building energy codes and standards to improve these for greater energy efficiency and energy conservation. In this area there has been an energy conservation task force network providing a forum for information transfer, training, research co-ordination and other activities designed to stimulate energy conservation.

I could go on and on in these areas. There is an internal program in the federal government, the "Save 10 Program" which was to improve the energy efficiency of federal government buildings by decreasing energy consumption by some 10 per cent. That program has been successful. It has saved $100 million in cost to this federal government alone since its inception.

In the area of transportation, Mr. Speaker, there have been all kinds of energy conservation programs introduced since the 1974-75 fiscal year. We have seen standards for the average fuel consumption of new automobiles, fuel consumption labelling, publications such as the "Gas Mileage Guide" and "The Car Mileage Book" and we have seen the tax on automobile air conditioners, which consume a substantial amount of fuel.

● (2130)

There are a number of programs, and finally there are the energy conservation R and D programs. The main priorities of the energy conservation R and D programs are energy efficient buildings, technology, efficiency in automotive engines, alternative fuel activities, energy systems studies, and energy efficient processes for industry. We have carried on a public awareness program to make the people of Canada understand that the energy problem is indeed a real problem, that something must be done, and that action must be taken by the individual because that is the way the transition will come about to reduce the consumption of energy.

Almost every household in Canada has received or been in touch with at least one of the brochures or booklets which have been put out by the Department of Energy, Mines and Resources, whether it be "One Hundred Ways to Save Energy and Money in the Home", "Billpayer's Guide to Furnace Servicing", the "Garbage Book", "Keeping the Heat In". All these types of information programs were initiated to give the Canadian consumer a means of understanding how they can help themselves by conserving energy. There are similar programs in industry and business.

There are newspaper programs. We have all seen the television and radio advertising on energy conservation. There are films, conservation vans and so on. There are also the vans which went through Europe and which were acclaimed as one of the most advanced energy conservation information systems in the world.

It is amazing that the opposition can say, "Oh well, there has been nothing done, no energy conservation programs introduced at all".

Miss MacDonald: It has been a disaster.

Mr. Evans: The hon. member for Kingston and the Islands (Miss MacDonald) says that it has been a disaster. I suggest to the hon. member that while she was the secretary of state for external affairs she learned very little about what was going on in the Department of Energy, Mines and Resources. I suggest that she talk to the hon. member for Saskatoon West (Mr. Hnatyshyn). He will admit that the Department of Energy, Mines and Resources had a vast number of programs which were on line and moving ahead when he took office as minister of the department, and which are going on now. There are a great many more programs coming up.

I was fortunate enough, prior to the election of May 22, 1979, to be part of the Department of Consumer and Corporate Affairs and involved in the human behaviour aspects on research energy conservation. We were doing a vast number of research projects on how we could help individual Canadians move from an energy consumptive environment to an energy conserving environment. In fact our research program which we put together in conjunction with the Department of Energy, Mines and Resources, the Department of Industry, Trade and Commerce and the Department of the Environment was one of the most advanced programs in the entire free world.

We were called upon by countries in Europe and the United States to enter into joint research projects because we were ahead of these countries, not behind them. We were not sitting around doing nothing about energy conservation. We were laying the groundwork for the kinds of energy conservation programs which will be implemented in the 1980s and which will make Canada a leading nation, not a trailing nation, in energy conservation in the free world.

We can talk about what the hon. members for Lincoln (Mr. Mackasey), Central Nova (Mr. MacKay), and Kamloops-Shuswap (Mr. Riis) said with regard to price not working. All the research we did during the time I was in behavioural research in Consumer and Corporate Affairs indicates just the opposite, that in fact price does work. However, what price does not do is work overnight. The transition between a high consumptive society where there are massive investments by individuals and businesses in capital equipment which is energy consumptive, energy inefficient, takes years, years to replace and to make the transition from an energy consuming society to an energy conserving society.

Miss MacDonald: That is why we should have begun in 1973.

Mr. Evans: We did start in 1974 those programs which are on line and which are now having their effects. They are good programs and they will be improved. The idea that nothing has been done because something did not happen overnight is absolute sheer nonsense. The fact is that it takes time and that it is happening. Price can and will change behaviour, but it does not work overnight.

Over time the difficulties which are being faced right now by, for example, Chrysler and Ford in their automobile sales, because they are selling relatively fuel inefficient automobiles, will be ironed out. People are changing their consuming habits. But it took many years for people to realize finally that in fact the energy crisis is real and that they must switch their purchase patterns from large automobiles to small automobiles. Unfortunately the automobile industry of North America did not pick up the signals which were there at the beginning. They did not change their production patterns. As a result we have seen a massive increase in the sales of Japanese cars, German cars, French cars and other foreign fuel-efficient cars in this country.

If the North American auto industry is to have any future it will have to bring in highly fuel-efficient automobiles. In fact the industry is moving in that direction at a very rapid rate. I am afraid that it waited a little too long before beginning, but it is moving in that direction. The fact is that the signs were there. Canadians and Americans were receiving the price information and energy information which was coming forth through the OPEC crises and the successive increases in oil prices. They were saying, "Something is happening. Is it real? Will it last?" And over six years, seven years, eight years the transition started. And now it is moving and industry will have to make the kinds of adjustments about which we are talking. We are now seeing that the auto industry is in the process of making those adjustments.

It takes time, but the price system works. However, I would suggest that it is not the appropriate way in which to adjust to a situation, particularly in Canada where there is relative richness in energy. It is a form of massive societal masochism to say that we must immediately go to world prices because it is good for the people, because it is somehow good for our souls if we go through a situation of biting the bullet. That term is so appropriate, but the problem is that the bullet is in the gut and they are pulling the trigger.

Price will rise because it must rise. However, in Canada where there is the unique opportunity to make an orderly, stable transition from a highly energy-consumptive society to a conserving society, because of the fortunate state in which we find ourselves, why is it absolutely necessary, as the official opposition would have us believe, that we immediately go to world price which would immediately create massive turmoil in this country, when it is not required?

The energy policy which the Minister of Energy, Mines and Resources is putting forward is precisely designed to avoid the kind of traumatic adjustments which would be brought about by the energy policy which was suggested by the individuals in the opposition. The reason that they are in the opposition is because they did not realize the simple fact that the people do not have to be beaten over the head before they will change their ways. They can be led in the process.

Mr. Lalonde: Listen to him.

Mr. Evans: The kind of research which has been done and which has led to the energy policy—and there is an energy policy, if hon. members opposite could read and understand, but I understand that it is difficult for them—has resulted in a broad energy policy which is guiding the direction in which we are going. In the kind of behavioural research in which I was involved for the government, at the initiative of a Liberal government in prior years, we asked questions such as, "Why do consumers conserve or fail to conserve?" The answer to that kind of question is essential. We asked such questions as, "What incentives could be used to get consumers to change their ways?" That is where the tax progams such as CHIP came from. But first we had to find the incentives which would move people in the direction in which we wanted to go in future years.

• (2140)

What role does information play and how does it play that role in society? We have an energy research program called "Energy Use Display Monitors" in co-operation with the United States that will put a monitor on the wall in the home to show people how much energy they are using when they turn the stove on and how much it costs in dollars and cents if the meter moves faster. They can say, "If I use the stove this way, if I turn the heat up or the air conditioner on, this shows the effect on the cost of energy in my home." These kinds of straightforward research programs—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired. The hon. member for Saskatoon West (Mr. Hnatyshyn).

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I appreciate the opportunity to participate in this debate. I felt compelled to deliver an address today on the very important resolution brought forward by my colleague, the hon. member for Kingston and the Islands (Miss MacDonald).

This is an auspicious occasion for some of us. For those who were first elected on July 8, 1974, this is an anniversary of sorts. I see the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs and the Postmaster General (Miss Nicholson) is in the House. She is one of those who entered the House at the same time as I, and I just wanted to take the opportunity on this sixth anniversary of the election of a very good group of members to call the occasion to the attention of the House.

The resolution before the House is not only very appropriate at this time but it underscores the desperate circumstances in which we find ourselves today in Canada, due to the inability

of this government to realize that not only do we require an energy policy but that we must make a comprehensive examination of the problems facing this country and the world.

This government took office some five months ago. Since then the Minister of Energy, Mines and Resources (Mr. Lalonde) has attended a number of international conferences. It has been my impression, and that of many other people in Canada, that our participation in those international conferences has been minimal. Our representatives have sneaked in and out of those conferences as the proverbial Arab slips across the desert, without participation in events and without any real knowledge or understanding of the problems that face us.

I would reiterate the point made by the hon. member for Kingston and the Islands in opening the debate when she pointed out that the OECD issued a report today which castigated Canada on its record of oil importation and oil conservation. It is the second worst record of all industrialized nations. That is an indication of the severity of the problem we face as a country and a participant in international dealings on the energy front.

Between 1960 and the mid 1970s world demand for oil almost tripled, while production in the United States, the world's biggest producers, began to decline in 1970. A large body of opinion believes that in 1975 the world reserves began to turn down. The world is now burning some 20 billion barrels of oil a year, and the drills are only adding in the vicinity of 11 billion to reserves. This basic truth has been masked by the fact that recession reduced oil demand, and new oil from the North Sea and Mexico cause a temporary glut. This has now been worked off. Demand now exceeds supply, perhaps by a million barrels a day; no one is quite sure. It is a good guess there is a lot of oil still in the ground. But a guess has no market value. Available oil is a dwindling resource.

In the past technology has baled us out, but our problem today has no precedent. Earlier transitions—from wood to coal, from whale oil to gas—came about because a superior fuel was attainable. This time, I regret to say, there is no bail-out in sight. Research can certainly help to develop new energy sources but, ironically, high energy costs leave less money for research.

In fact the belief that we owe our affluence to our technological breakthroughs seems, in retrospect, to be no more than a half truth. The whole truth is that abundant resources, especially cheap petroleum, made everything from mass air travel to high yield agriculture, possible. Energy-intensive machinery skimmed the cream off high grade resources and gave us the money to fill our homes with appliances and gadgets that give us the energy equivalent of 80 manservants a day. We are now putting out five to ten calories of energy to produce one calorie of food, and already we are looking back on cheap food with nostalgia. It is cheap and abundant energy, not the magic of technology, that has been the essential dynamo of progress.

Now we stand at the end of an awesome discontinuity: the beginning of the end of the petroleum era, the end of living off capital, the end of rising expectations. We will still be using petroleum well into the twenty-first century, but even our optimists realize it will not be cheap. The price of OPEC oil in Montreal is now in the vicinity of $36 per barrel. The higher prices have slowed demand. World recession could bring a brief glut. But the Iranian cut-off revealed how narrow the margin of surplus is. Any serious shortage could bring a surge in price. What are the chances of this happening?

Prophecy, of course, is even riskier than politics. Which of our economic projections considered the Ayatollah Khomeini, or the Arab oil boycott, or the accidental break in the Trans-Arabian pipeline? When you are looking at the mid-east supply and demand—and that is where the crunch will come, because that is where 80 per cent of the oil for export is being pumped—the incredible often looks only too much like the probable.

The main key to supply is Saudi Arabia. The Saudis have had, until recently, enough spare production capacity to hold down the world price if other producers tried pushing it too high. Between 1974 and 1978 they dropped the real price of oil by 20 to 25 per cent. Even now they have set their selling price at something like $28 or $30, well below the price asked by other producers.

The Saudis are concerned about the economies of the western nations, their chief customers and chief investment outlets, and they are afraid that a deep recession would strengthen the communist parties of Europe. As demand has risen, the Saudis have run into pressure problems in trying to raise production capacity and have in the past year reduced the level 10 per cent to their present 9.5 million barrels per day. As the financial cost of controlling OPEC rises, conservation looks even more attractive. Like some other Arab producers, they have more income than they need, and there is no economic reason to deplete their oil so quickly when later it could be worth so much more. After seeing how too fast development brought corruption and chaos to Iran, they might well want to slow their massive industrial development program.

Most OPEC producers hold similar but even stronger views, and it is anticipated on the basis of announcements now made that we can look forward to a reduction of some three million barrels per day. Right now OPEC is producing about 30 million barrels of the 51 million barrels per day the world is burning. The best we can hope for from OPEC in the late 1980s in an increase of 20 to 25 per cent.

This is not too reassuring when we contemplate future demand. The Third World is expected to grow by six or seven per cent. By 1985 this could add 40 per cent to their oil needs which are now about five million barrels per day. For example, the Mexican economy is growing so fast that by 1985 it will probably need half its estimated output of three million barrels per day. By then the OPEC countries, with their huge development programs, will likely be using another five million barrels per day themselves.

Production growth has slowed in the Soviet Union. The Soviets supply nine-tenths of the oil used by eastern European countries, and have told the eastern Europeans not to expect

these supplies to be raised. Increased western demand alone could take all of OPEC's late 1980s' production, and if we add this new demand we could possibly all be scrambling for a static supply of Middle East oil in the 1990s.

● (2150)

Nor can we shut our eyes to the tensions in this area. In the last three decades the Middle East has had half a dozen wars, a dozen revolutions, and innumerable assassinations. It is the heartland of terrorism, the politics of desperation, and an endless chain of tankers pass through the Straits of Hormuz carrying half of all the OPEC oil that powers western civilization. A supertanker sunk in the mouth of the straits could cut this lifeline. Significantly, Lloyds of London, the world's leading underwriters, have designated the Persian Gulf a war risk area.

Uncertainty is the order of the day and no one can predict what the price of oil will be next year, let alone in three or four months time. After the oil embargo in 1974, 20 OECD nations formed the International Energy Agency to co-ordinate a common approach to consumption, and much depends on its members meeting their year-end targets: a cutback in consumption of two million barrels a day which is about five per cent of the western world's oil demand. The less oil we use collectively, the less chance of further disruptions and the slower the world price will rise.

Notwithstanding the disregard which this government has shown with respect to its commitments internationally, Canada does have a big stake in the International Energy Agency. Any significant rise in price will intensify conflict between western allies, between the west and the communists and between factions within nations. Every 10 per cent rise in the world price adds one half a percentage point to OECD inflation. A sharp rise would strain the world monetary system and shrink world purchasing power. What price is Canadian self-sufficiency if we cannot sell our goods on the world market? We have to take our part in bringing supply and demand into balance.

Last July Canadian targets were set by the previous government. They were set by the former prime minister, now the Leader of the Opposition (Mr. Clark). We agreed at that time to reduce our net imports of oil by 100,000 barrels a day throughout 1980, to hold the 1985 imports to 600,000 barrels.

Recently the late Prime Minister Ohira of Japan spoke to this Parliament and he reiterated the necessity of the western industrialized nations reducing in a substantial way their imports of oil. The present government has not yet come to grips with this reality. At the last Summit there was great pressure on the Prime Minister and the delegation representing Canada to reaffirm the commitments made at the Tokyo Summit.

These targets that we have set for ourselves are not going to be easy to meet. We are pumping crude at the rate of 1.6 million barrels a day, and that is near capacity. It leaves us very little flexibility. In Canada we are burning something like 1.9 million barrels, and that calls for daily net imports of about 300,000 barrels. The production in western Canada is in decline and the most optimistic estimate is that by 1985 we will be short by at least 600,000 barrels a day. Some estimates put the shortage at 900,000 barrels a day by 1985. In 1990, the daily shortfall will grow, and keep growing.

The fact is that this is the background in which the international negotiations and circumstances have taken place. I want to say that notwithstanding the attempt on the part of the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources to hand out press releases with respect to what has happened at the Venice Summit, there was a great similarity with respect to the resolutions which were brought forward at the Venice Summit to those that were brought forward at the Tokyo Summit. I simply say that to reiterate and underline them. At Venice there was a reinforcement of the commitments made, and an attempt to bring Canada into the mainstream with respect to the western industrialized nations on the commitments that are to be made by Canada on the international scene.

The Tokyo communiqué is interesting and I want to refer to it to indicate the great similarity in wording in what took place then with what the release was with respect to the Venice Summit which has just concluded.

One of the statements made at the Tokyo Summit, which was reiterated again at Venice, was:

> The most urgent tasks are to reduce oil consumption and to hasten the development of other energy resources.

I suggest this statement has a familiar ring.

What were some of the commitments made at Tokyo? One of the commitments was that we pledge our countries to increase as far as possible coal use, production and trade, without damage to the environment. Does that sound familiar? And does this statement sound familiar?

> We need to expand alternative sources of energy, especially those which will help to prevent further pollution, particularly increases of carbon dioxide and sulphur oxides in the atmosphere.
>
> Without the expansion of nuclear power generating capacity in the coming decades, economic growth and higher employment will be hard to achieve.

Further on we find this statement:

> We reaffirm the understanding reached at the Bonn Summit with respect to the reliable supply of nuclear fuel and minimizing the risk of nuclear proliferation.
>
> New technologies in the field of energy are the key to the world's longer-term freedom from fuel crises.

These are very familiar statements with respect to the leaders at Venice. It is a reiteration, and yet one would believe from hearing the Prime Minister and the Minister of Energy that somehow there was a new attitude taken by the leaders. It is precisely a carrying on of the position taken at Tokyo in which Canada on this occasion was out of step and out of place. Canada was not fulfilling its function on the international scene, and in not doing that it was causing itself to do a disservice to the Canadian people as well.

I was very proud and pleased that my colleague, the hon. member for Kingston and the Islands, did bring this resolution forward. It does give us an opportunity to point out that notwithstanding the fact that this government has been in

power almost continuously since 1963, with the assistance of the New Democratic Party, it has not as yet come forward with a comprehensive energy policy. It is still struggling with the question of pricing with the producing provinces. So I ask what are we faced with now? It is the prospect of going past July 1 with no assurance and no idea of where we are going in terms of pricing in Canada, nor do we have an indication from the federal government or the producing provinces that they are anywhere close to an agreement.

The uncertainty is causing a great deal of concern in the industry itself. It is only reasonable that unless there is some long-term agreement arrived at, the investment that is going to be required to develop our oil self-sufficiency will not be forthcoming. We are getting involved with the Prime Minister going to a conference possibly, he says, at the end of this month within six days of the conclusion of the extension period of the existing arrangement. Do members understand, particularly on the government side, what the consequences will be if there is no arrangement or agreement with respect to energy pricing in this country? Do members have any understanding? Are members quite satisfied now to rely exclusively on imports of oil with respect to generating our industry and heating our homes next winter? What are members' thoughts on the other side with respect to the activities of the Prime Minister and the Minister of Energy on the negotiations? In my opinion their activities have been shameful, confrontationist, and they have certainly not given any hope to us that there will be any arrangement or agreement for any reasonable period of time.

I tell you, Mr. Speaker, that the people of Canada look back with some affection to the Progressive Conservative government which, in a short period of time, came forward for the first time in history with a comprehensive, national energy policy benefiting all regions of this country. We had a program that was negotiated with all the provinces of this country and with all the regions of this country.

• (2200)

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Hnatyshyn: Mr. Speaker, it shows one minute to ten by my watch.

The Acting Speaker (Mr. Ethier): Order, please. This clock shows ten o'clock. If there is unanimous consent, the hon. member may have one additional minute. Is it agreed?

Some hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I simply wanted to conclude this very important and good debate by outlining and pointing out the fact that there was with the last government a comprehensive national energy policy. I want the government to listen to these points. It is within their capability and interest possibly to follow by way of constructive suggestion the initiatives that we had taken in our short time in government. Key ingredients of our policy involved an oil pricing agreement maintaining a competitive advantage for Canadians over U.S. and other world trading countries, a massive substitution program off oil to natural gas and other regionally indigenous energy sources, an effective energy conservation program in co-operation with the provinces, the dramatic development of our country's energy resources utilizing the increased revenues from petroleum and, finally, a firm program of Canadianization of our energy industry through such innovative initiatives as a Canada energy bank. Thank you for the time accorded to me, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE SUPERANNUATION ACT—REQUEST FOR MEASURES TO CORRECT UNFAIRNESS—RCMP PROVISIONS

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last Thursday, July 3, as recorded at page 2539 of *Hansard*, I put two questions—perhaps I should say a question in two parts—to the President of the Treasury Board (Mr. Johnston). My questions had to do with what I regard as unfair provisions in the Public Service Superannuation Act. This is by no means the first time that I have drawn attention to these unfairnesses, but it is my hope that by persisting in this effort, one of these days we will get these unfair provisions corrected.

The first one about which I questioned the President of the Treasury Board last Thursday has to do with the fact that when a retired public servant dies, his widow gets a pension of only 50 per cent of what he was getting whereas, if the wife were to die first, the widower's pension would be 100 per cent.

I know that has been the practice for half a century or more, or for as long as pensions for employment have been in effect. I know that for many years it was accepted as perfectly all right. However, I do not think there is any place for this sort of arrangement in our society any more. If there is anything to the modern belief in equality between men and women, surely it should be practised when it comes to retirement. I suggest that it is completely and grossly unfair that the Public Service Superannuation Act has in it this provision giving, as I say, to the surviving widow a pension of only 50 per cent, whereas it would give to the surviving husband a pension of 100 per cent.

• (2205)

The other complaint I made when I put my question to the President of the Treasury Board last Thursday had to do with the way a pension of a widow, in this case a widow of a retired public servant, is cut off if she marries again. Here too is a practice which has been in vogue for a long time, and society tends to accept it. Society does that because it still has the

notion that somehow a woman's place in our economy depends upon her attachment to a man. This turns up in even more sinister ways in other provisions.

I have in mind the spouse's allowance which is paid to some women between 60 and 65 but not to others, and certain other provisions, but they do not come under the Public Service Superannuation Act. I insist that if a woman, by being the wife of a public servant—and it applies to a woman who is the wife of any other kind of employee—has earned a pension which comes to her if the husband dies, that pension should not be taken away from her simply because, to put it in language which I hope people will understand, she finds another meal ticket. Surely that pension is a matter of right. Surely it is not a form of welfare. Surely it is not just income maintenance because she does not have other means of support, and, if it is a matter of right, I think it should persist.

I recognize that when we were discussing this in developing the Canada Pension Plan and made provisions about what happens to a widow, we included in that legislation a provision such that if a widow marries again, she loses the pension while she is married, but if the second husband dies, she has the right to pick up whichever survivor's pension is the better. I remember the amusement we had in the committee when we discussed that and decided that we did not want to make it possible for a woman to marry half a dozen men and pick up one pension after another. It really was a bit of amusement because those second or third marriages do not last long enough for substantial pensions to be built up.

I am back to my basic contention that if a woman earns a pension by being a wife and mother, she is just as much entitled to that pension, as a right, as if she had earned the income in industry or as if she had earned it by investing money or what have you, and I suggest that dropping of the pension of the widow of a public servant because that widow marries again is wrong and that this should be corrected.

I suggested the other day that I hoped that any changes which are made will also be made for the widows of RCMP personnel or personnel of the armed forces, and my hope and belief are that if the government will start setting its house in order in this area, then there will be the necessary improvements in the rest of society. That is why I want a start to be made. I have been at it for a long time. I hope I do not have to keep at it just as long to win these very necessary improvements in our pension arrangements, necessary in the light of our belief today that men and women really are equal.

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to ask the hon. member for Winnipeg North Centre (Mr. Knowles) to excuse the Parliamentary Secretary to the President of the Treasury Board (Mr. Daudlin), who is unavoidably absent tonight because his family is in Ottawa. I will try as best I can to answer the hon. member's question and to give some satisfaction as to the possibilities.

[*Translation*]

Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) spoke on many occasions of the benefits provided for widows in retirement plans. He is aware, I am sure, as mentioned in the House last Thursday by the President of the Treasury Board (Mr. Johnston) when he raised the matter, that the government has already begun a general study of the survivors' benefits provided by the pension plans within the civil service. This study was instituted after the adoption of a regulation concerning the application of the Canadian Human Rights Act to the pension and life insurance plans.

Some people think that providing for survivors' benefits favours married contributors rather than single ones; that is why the amendments proposed were deferred so as not to accentuate this discrimination. However, Mr. Speaker, the Canadian Human Rights Commission in its statement declared that these benefits are not discriminatory per se although it did add that some aspects of the survivors' benefits programs were incompatible with the principles of non-discrimination.

In the course of its study, the government will take into account the questions raised by the hon. member for Winnipeg North Centre (Mr. Knowles) as well as other related matters such as the eligibility requirements for retirement benefits when a spouse remarries and the possibility of splitting up the benefits in the case of a divorce, a matter which he did not necessarily raise. This study will encompass all retirement plans within the federal civil service and will obviously require some time to be carried out. Various recommendations concerning the proposed survivors' benefits discussed in a number of studies recently made public will also be studied.

● (2210)

[*English*]

The issues raised by the hon. member deal with two qualifications on the payment of survivor benefits; one on the amount of the benefits payable, and the other being the requirement that a spouse must have become married to a public servant prior to retirement in order to qualify for benefits. Surviving spouses are entitled at present to approximately 50 per cent of the contributor's unreduced pension. Moreover, if a surviving spouse has minor children, each child receives a pension equal to 10 per cent of the contributor's benefit, so that a spouse with four minor children will receive approximately 90 per cent of the contributor's pension. I know the hon. member knows about all that.

It is quite true that representations have been made in recent years for improvements in the amounts of survivors' pensions; some suggest raising the percentage to 75 per cent, others to 100 per cent.

The second qualification under discussion is the provision in the plans that a survivor's pension is not payable to a spouse of the public servant who married after retirement, or in the case

of a retired member of the Armed Forces or the RCMP, where the marriage took place after age 60.

The Acting Speaker (Mr. Ethier): Order, please. I have to interrupt the hon. member, regretfully.

Mr. Laniel: All I want to say, Mr. Speaker, is that this is a costly exercise and I am sure that the minister, being fair to everybody, will bring the necessary modifications.

[*Translation*]

The Acting Speaker (Mr. Ethier): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10:13 p.m.

HOUSE OF COMMONS

Wednesday, July 9, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

METRICATION

CALL FOR HALT TO METRIC CONVERSION—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, as a result of the answer of the Prime Minister (Mr. Trudeau) to a question on metrication yesterday, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Because the Metric commission has spent $43,238,000 of taxpayers' money since it was created in 1971; due to the fact that it has kept both the Prime Minister and the Minister of Industry, Trade and Commerce (Mr. Gray) totally in the dark and uninformed as to the wishes of Canadians on the subject of metrication in retail food stores; in light of a survey of 2,046 shoppers done by an independent consulting firm for Dominion Stores Ltd. in the metric test centre of Peterborough, which indicated 88 per cent of shoppers favoured pounds over kilograms; since all major food store chains have indicated that they do not wish to proceed with metrication, I move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence):

That this government respond to the wishes of the Canadian people, and not to the dictates of the Metric commission, and call a halt to metric conversion in the retail food sector which is slated to proceed on January 1, 1981, affecting some six million Canadians in approximately 21 cities.

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

Some hon. Members: Agreed.

Some hon. Members: No.

LIVESTOCK INDUSTRY—PROTEST AGAINST ARBITRARY CONVERSION TO METRIC SYSTEM—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of great urgency to the Canadian livestock industry. Inasmuch as the reborn Liberal government has resumed its pell-mell rush to metric conversion, an action which is causing great confusion in the agricultural industry, particularly during this period of economic uncertainty, and strong protests from the industry have been communicated to the Minister of Agriculture (Mr. Whelan), I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the government restore the freeze imposed by the former Conservative government on the arbitrary metrication of the livestock industry, thereby allowing the conversion to go forward by voluntary action rather than by government coercion.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

UPGRADING OF OTTAWA INTERNATIONAL—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise under the provisions of Standing Order 43. First impressions are lasting impressions. The first impression a dignitary must have of Ottawa upon arrival at Uplands' dirty-carpeted international airport is that he or she is entering a mine-shaft disaster area. The lounge for VIPs might better be expressed as the "PITS".

The facilities at the air terminal are inadequate; the grounds and landscaping are atrocious. Priorities in many government programs are misplaced: millions of dollars are spent on monolithic structures in Hull, millions of dollars have been wasted on the white elephant known as Mirabel. Local and national pride must suffer because of the second-rate facilities at Uplands. I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the upgrading of the international air terminal at Uplands be deemed as an urgent priority of the government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

STATUS OF WOMEN

REQUEST NATIVE WOMEN BE INCLUDED IN CANADIAN DELEGATION TO WORLD CONFERENCE—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that no native women were asked to participate as part of the official Canadian delegation to the World Conference of the United Nations, Decade for Women, in Copenhagen from July 14 to July 30; that this mid-decade conference is to look at the progress made in improving the situation of women and developing a plan of action for the next five years; that recommendations of the status of women report "Toward Equality" include a call for federal government commitment to native women; that only as a result of their own initiative native women were later invited to go unofficially, and therefore only minimally subsidized, while official delegates go with all expenses paid, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House calls for the minister responsible for the status of women to include some native women as part of the official delegation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HOUSE OF COMMONS

NDP MEMBERS LEAVING CHAMBER DURING QUESTION PERIOD—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that—

The NDP walked out in a snit,
While most other members were unaware of it,
Until the socialists to the press did shout,
"The NDP had lost its clout";
Poor Stanley was left with tea and crumpet,
They continued to say "the rest could lump it".
Also on December last in dumping the veterans' bill,
Stanley sent all members home from the hill—

I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the new brand of NDP
Be cautious in leaving Stanley at sea;
Instead of causing an internal schism,
They explore all facets of Stanley's prism,
With his saintly quiver and righteous bow,
Relegate him to the second row.

Some hon. Members: Oh, oh!

* * *

1980 FREE OLYMPIAD

CONGRATULATIONS TO ORGANIZERS—FUNDING OF 1984 EVENT—MOTION UNDER S.O. 43

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, unfortunately I do not have the talent of the hon. member for Red Deer (Mr. Towers). On a matter of pressing and urgent necessity I would like to move a motion under Standing Order 43.

Last weekend, athletes from Ukrainian, Latvian, Lithuanian, Estonian and Armenian communities of Canada and the United States met in Etobicoke to compete in the 1980 Free Olympiad, an event to protest the staging of the Olympic Games in Moscow and to draw attention to the fact that people from these countries which are captive nations of the U.S.S.R. cannot compete in the Olympics under their own flags. I move, seconded by the hon. member for Halton (Mr. Jelinek):

That this House congratulate the organizers on the success of the 1980 Free Olympiad and ask the Minister of State for Sport or the Minister of State for Multiculturalism to consider seriously any application from the organizers for financial assistance from the federal government for the 1984 Free Olympiad.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SUPPLY AND SERVICES

PURCHASE OF TIRES FROM CANADIAN MANUFACTURERS—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In the throne speech we were promised that this government's procurement would be used vigorously to encourage the creation and expansion of Canadian businesses. In light of the fact that the Department of Supply and Services recently purchased several thousand tires from Hungary for use in the Post Office, even though there are over 2,000 Canadian rubber workers unemployed in our tire industry at this time, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House instructs the Minister of Supply and Services to ensure that all future tires purchased by his department come from Canadian manufacturers employing Canadian workers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONSUMER AND CORPORATE AFFAIRS

LEGISLATION TO PROHIBIT "CORPORATE BLACKMAIL"—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the recent attempt by the Hudson's Bay Company and Simpsons Limited to muscle their suppliers into providing retroactive rebates, and the uncompromising situation that would develop in the garment industry as a result, all of which has come about as a result of the pleasure of this government, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House act immediately to pass legislation prohibiting such a move which can be described as no better than corporate blackmail.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

THE ROYAL FAMILY

COMMEMORATION OF BIRTHDAY OF QUEEN MOTHER—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in recognition of a significant facet of Canada's cultural, linguistic, constitutional and, indeed, moral heritage, I have some reason to expect that I will gain the unanimous consent of the House on the following motion which is seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House instruct the government to mark in an appropriate manner the occasion of the Queen Mother's eightieth birthday on August 4 next either by a special cameo stamp issue, or by striking a silver dollar or other coin in recognition of Her Gracious Majesty, as well as of the heroic example she gave to all citizens in the Commonwealth in standing unflinchingly by her husband, our late King George VI, through all the trials and dangers of threatened invasion and bombing during the last war.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE CANADA

USE OF LAND IN NATIONAL CAPITAL AREA FOR PLOWING MATCH—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I move, under the provisions of Standing Order 43, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House request the Minister of Agriculture to reverse the decision he made and to thereby allow the Ottawa-Carleton Plowmen's Association to use land used by Agriculture Canada in the national capital greenbelt for the 1983 International Plowing Match, permission for which was previously granted by the hon. member for Elgin when he was the minister of agriculture.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

APPROVAL OF PRE-BUILD SECTION OF ALASKA GAS PIPELINE

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I would like to direct a question to the Prime Minister. It requires a very simple "Yes" or "No" answer. The deadline of July 15 which Foothills Pipe Lines has stated is the final date by which government approval must be given if the pre-build section of the Alaska gas pipeline is to be constructed this year is fast approaching: It is just a few days away.

Will the government tell us, now, whether or not they plan to grant, or deny, that approval?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, yes.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: That is what he wanted.

Mr. Nickerson: Madam Speaker, that is a very simple answer. I must admit it was not quite the answer I was expecting, although I was looking for a similar answer. I would like to address my supplementary question to the Minister of Industry, Trade and Commerce.

In the event that approval of the pre-build section is not granted, could the minister confirm that the loss to Canada, at this time of rapidly escalating unemployment, declining economic activity and serious balance of payments problems, would be in the order of 150,000 man-years of employment,

much of it in the hard-hit industrial areas of central Canada, and about $2 billion annually in our balance of trade position?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, no, I could not.

Mr. Nickerson: Madam Speaker, I think I will try the Minister of Energy, Mines and Resources to see if he will be a little more forthcoming. I am very alarmed at the indecision, procrastination and evident inability of the present government to deal with the outstanding pipeline issues.

Will the government quit pussyfooting around with the pipeline and ensure that both the pre-build section and the Alaska gas pipeline in its entirety will be built as expeditiously as possible?

● (1420)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member has made a very interesting representation, and I am sure cabinet will consider it.

CONSIDERATION BY PARLIAMENT BEFORE LEGISLATION CHANGED

Mr. Harvie Andre (Calgary Centre): Madam Speaker, may I put a supplementary question to the Minister of Energy, Mines and Resources? According to the Prime Minister, the government is actively considering whether to authorize this pre-build section in spite of assurances by Senator Olson, the minister responsible for northern pipelines, before a committee of this House that such permission would not be given until there were guarantees for the entire pipeline, as spelled out in the act.

Will the minister assure the House that the government will approach Parliament to seek permission for a major change in both the intent and purpose of the Northern Pipeline Act prior to granting any such approval?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already answered that very question in the House last week.

[*English*]

Mr. Andre: Apparently the minister is reluctant to give his assurance to the House at this point, Madam Speaker.

An hon. Member: He gave it last week.

Mr. Andre: The minister is aware that the purpose of this pre-build is to provide transportation facilities to carry the export gas approved by the previous government on December 6, 1979. The minister, then opposition energy critic, described that decision as "one that Canada will live to regret and it may go down in history as one of the greatest sell-outs we have seen."

Given that the government is now looking at ways to authorize this transportation or this sell-out, did the minister flip-flop on his own, or have his cabinet colleagues talked him into changing his position since December 6 last?

Mr. Lalonde: Definitely not, Madam Speaker; definitely not.

Mr. Baker (Nepean-Carleton): But you did flip-flop.

LEGISLATION TO AMEND NORTHERN PIPELINE ACT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, the matter of this pipeline is a serious issue and the minister should not get out of it. Let me put my question to the President of the Privy Council, if he is there.

Mr. Nielsen: He is not all there.

Mr. Waddell: It is quite clear, Madam Speaker, that in 1978 Parliament approved the Northern Pipeline Act which authorized a pipeline for American gas to be transported from Alaska to the lower 48. The National Energy Board has recommended a pre-build pipeline which will export Canadian gas to the United States.

Can the President of the Privy Council, the government House leader, assure this House that before such a fundamental change is made, legislation will be brought before the House, and that this will not be done behind closed doors by an order in council?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I should like to draw the attention of the hon. member to the act that was passed by this House in 1978. If he reads the Northern Pipeline Act, he will see clearly what its provisions are. I have already stated in this House, and I repeat, that nothing will be done by the government that is contrary to the provisions of the act passed by Parliament.

Mr. Andre: The intent of the act is what we are interested in.

Mr. Waddell: Madam Speaker, I have read the act in some detail. That is still not an answer to our question.

ALASKA GAS PIPELINE—EFFECT ON CANADA'S ENERGY FUTURE

Mr. Ian Waddell (Vancouver-Kingsway): May I put a supplementary question to the Prime Minister, Madam Speaker? I find it shocking that the minister will not bring this before the House. In light of what was stated in the throne speech about self-sufficiency, and in light of the government's own policy of "off" oil, changing basically the use of oil to natural gas and other energy sources, but basically gas, if the pre-build goes ahead would the Prime Minister not agree that the construction of this export gas pipeline would jeopardize Canada's energy future?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question is hypothetical in its form—"if the pipeline goes ahead". I can assure the hon. member it will not go ahead if it jeopardizes Canada's energy future.

Mr. Waddell: This is precisely what the minister was saying before he turned Judas on us, when he was in the opposition.

Some hon. Members: Oh, oh!

Some hon. Members: Order.

● (1425)

Mr. Waddell: The minister has said, as the member from Calgary pointed out, that we should not export this gas for a fast buck. The minister also said, to use his words, that there should be an ironclad guarantee before the pipeline goes ahead.

Could the minister tell this House, now, with a straight face, whether he considers those events and assurances in Washington, the resolutions and the 2 per cent investment by the company in the pipeline, were enough to live up to the test that he set out when he was the opposition critic?

Mr. Baker (Nepean-Carleton): The iron has turned to butter.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the steps taken by the American Congress, as well as the steps announced by the administration and those taken by the private sector, both the sponsors and the producers, are all matters that are before the cabinet and are going to be considered before any decision is made. If and when a decision is made, the hon. member will be apprised of it; I am sure of that.

* * *

ENERGY

CONSTRUCTION OF NORMAN WELLS-ZAMA LAKE OIL PIPELINE

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It would appear that the National Energy Board decision on the proposed Norman Wells-Zama Lake oil pipeline will not be handed down until later on, perhaps toward the end of this year.

In view of the fact that this line will carry some 25,000 barrels of oil a day to replace oil presently imported from offshore countries and at a cost exceeding the domestic price, will the minister assure this House that, assuming the National Energy Board finds the line to be a public necessity and convenience and that the federal environmental assessment and review panel does the same, the government will give quick endorsement to the construction of the line?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if I may answer that question, we will have to wait for the decision of the National Energy Board and also for the results of the environmental hearing before the matter will come to the government for final determination. It is premature to make a decision at this time.

Mr. Neil: Madam Speaker, my supplementary question is to the Minister of Indian Affairs and Northern Development. Assuming approval is given by the National Energy Board and by the environmental assessment and review panel, will the minister assure this House that he and the government will not support any moratorium on the construction of the line?

Mr. Munro (Hamilton East): Madam Speaker, there are further representations to be heard from the native organizations in the Northwest Territories and the territorial government. To give a firm and hard decision at this time, before some of the representations which they wish to make to the government through myself, is really not giving them a fair chance to present their views. Therefore, I think any decision should be withheld, as I say, until they have that chance.

LACK OF OIL PRICING AGREEMENT—EFFECT ON DRILLING ACTIVITY IN CANADA

Mr. Len. Gustafson (Assiniboia): Madam Speaker, my question arises from that posed by one of my constituents who is concerned about employment in the oil industry. Therefore, I direct my question to the Minister of Energy, Mines and Resources.

Is the government aware that drilling activity is slackening off significantly in Canada and moving to the United States of America, which seems to be a repeat of what was experienced in Canada in 1973? The cause seems to be related directly to the government's indecision with regard to the oil pricing agreement. Is the minister aware of this very serious situation that exists in Canada today?

An hon. Member: Of course not.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the latest report I have seen is that drilling is up—specifically, up 30 per cent compared to the same period when the Conservatives were in office last year.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): That was a dreadful answer.

Mr. Gustafson: Madam Speaker, it is true there are more rigs. According to the latest figures I have, for July 2, there were 535 rigs drilling in Alberta, Saskatchewan, B.C., the Northwest Territories, the Arctic and Manitoba; but there are 123 rigs down and not turning. However, in Saskatchewan there are 46 rigs turning, while in Williston, North Dakota—a small town—there are 151 rigs turning.

● (1430)

Madam Speaker: Order, please.

Mr. Gustafson: Will the minister take seriously this very important situation which threatens Canadian oil exploration at this time?

Mr. Lalonde: Madam Speaker, in his long list of statistics the hon. member said nothing that contradicts what I have already told him, namely, that drilling is up 30 per cent this year compared to the same period last year when the Tories were in office.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY PREMIER AND TREASURER FOR THE STATE OF VICTORIA, AUSTRALIA

Madam Speaker: May I at this point draw the attention of the House to the presence in our gallery of the Honourable Lindsay Thompson, Deputy Premier and Treasurer for the State of Victoria, Australia.

Some hon. Members: Hear, hear!

* * *

CONSUMER AND CORPORATE AFFAIRS

AMENDMENTS TO LEGISLATION TO PREVENT COMBINES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. It is of vital importance to consumers and small businessmen across this country.

In light of the recent disclosure that the Hudson's Bay Company and Simpsons Limited are using their combined purchasing power to squeeze volume rebates from small manufacturers and suppliers, and because this practice represents a blatant display of monopoly power that could not only force many manufacturers out of business but also reduce the levels of competition in the marketplace, will the minister inform this House whether or not he will be introducing amendments to the combines legislation that will enable the government to successfully break up a combination like the Hudson's Bay-Sears marketing conglomerate?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I would like to say two things to the hon. member in that connection. First, I will discuss the matter with the director of investigations and research to determine if the practice described by the hon. member is harmful and comes under the Combines Investigation Act. Second, as soon as possible in one of the next sessions of this Parliament I intend to introduce amendments to the legislation on competition in Canada so that it will have more teeth than the present legislation.

[*English*]

Mr. Riis: Madam Speaker, I appreciate hearing the comments of the minister regarding the second phase of the competition policy, and I look forward to debating that. I would like to be a bit more specific, if I could. When the minister receives all the information and it becomes clear to the minister that the Hudson's Bay Company and Simpsons Limited have been pressuring their suppliers for rebates, what action will the minister take to deal specifically with this problem?

[*Translation*]

Mr. Ouellet: Surely the hon. member will agree that the director of investigations has limited powers to act under the present legislation, especially as a result of a recent Supreme Court decision. Consequently it is premature for me to predict what the director of investigations might suggest after having examined that file.

* * *

[*English*]

ENERGY

EXTENSION OF NATURAL GAS PIPELINE TO MARITIME PROVINCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I wonder if I might go back to the Prime Minister with regard to the pipeline question and ask him to turn his attention to Q & M and the dilemma which faces the maritime provinces in particular.

In Halifax, on January 25, the Prime Minister was quite explicit and clear in putting forward his party's position with respect to the sense of urgency that they attach to the pipeline east to Quebec and on into the maritime provinces. Recently I have been somewhat concerned, and I think we all are, knowing that unless a decision is made very quickly the chance of ever getting a pipeline into the maritimes is virtually zilch, zero, nothing.

Will the Prime Minister indicate whether he will use his good offices to cause, under the appropriate sections of the legislation, the reconvening of the National Energy Board on this particular application, so that a decision might be arrived at no later than next spring or summer as to whether, in fact, it will be possible?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can assure the hon. member that the government still shares that sense of urgency. My understanding is that some difficulties were put forward by provincial governments of an environmental or financial nature. I will inquire into them.

It seems to me that the hon. member is making a very reasonable request when he suggests that kind of a deadline. It is certainly within the same understanding as my sense of

urgency. I will undertake to ensure that when we have finished this set of negotiations, we will be in a position to announce our entire energy policy. I hope very much it will encompass the building of such a pipeline.

Some hon. Members: Hear, hear!

Mr. Forrestall: Madam Speaker, I welcome the temperate intervention by the Prime Minister: it gives us some assurance. But, after all, he made the promise last January and it is now the middle of July.

My supplementary question is directed to the Minister of Energy, Mines and Resources. The points raised by Premier Hatfield of New Brunswick, in particular, and to a lesser degree by Premier Buchanan of Nova Scotia, were in fact legitimate concerns for any province with respect to costing and some other matters.

Will the minister give some indication to those in the maritimes as to whether he favours the development down river from Quebec of a super, major oil port that would handle, for example, Arctic gas, Hibernian oil, imports from OPEC, and so on, or whether he subscribes to the view of the Prime Minister that the government still attaches some urgency to at least giving the maritimes an opportunity to join in the economic activity that is associated with, related to and flows from the activity of a major oil or gas pipeline, in this case a gas pipeline?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I think I have already indicated to the hon. member, but I am very happy to repeat when speaking to the question he raises, that the first priority of this government obviously has to be a decision on whether there should be an extension of the gas pipeline to the maritime provinces. That is definitely our first priority.

OVERLAND OIL PIPELINE ROUTE IN B.C.—NEGOTIATIONS WITH UNITED STATES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Since the United States west coast refineries at the moment are in a surplus supply position, reducing the need for extended tanker traffic down the B.C. west coast, will the minister advise what progress he is making with the U.S. administration to ensure that the preferred Canadian overland pipeline route can proceed in the future?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I took the opportunity at my last meeting with the Secretary of State for Energy of the United States to indicate quite clearly that the federal government still prefers the overland route in terms of the future oil pipeline. This has been the consistent view of this party. We lost no time in reiterating our view in this regard to the American authorities, even though they may have been confused for a certain period as to what the view of the federal government was at the time the hon. member's party was in office.

Miss Carney: My supplementary is also directed to the Minister of Energy, Mines and Resources. Since the government of British Columbia has indicated that it is not willing to proceed with the construction of the Alaska gas pipeline link through northeast B.C. until it reaches a financial agreement with the federal government on the financing of the social infrastructure, will the minister tell us what steps he is taking to ensure that these agreements will be in place in time for the Alaska gas pipeline to proceed?

● (1440)

Mr. Lalonde: These discussions have been taking place over the last several years and they are continuing. This is a continuing issue and it has not been resolved as yet. As the hon. member knows, the whole question of the Alaska gas pipeline has many aspects. This is one of them, and the discussions will carry on.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY WHEN SERVICE WILL BE PROVIDED TO SEPT-ÎLES

Mr. André Maltais (Manicouagan): Madam Speaker, my question is directed to the Secretary of State and Minister of Communications. My intervention reflects a regional concern. It concerns the French CBC network which for six years has been scheduling the establishment of facilities in the North Shore area. I would like to know whether the minister intends to take action to force the corporation to meet its schedule or even anticipate on the plans established a full six years ago. Land was purchased six years ago in Sept-Iles, yet never since has the corporation shown any interest in a population living along 600 miles of coast and as far as 1,250 miles inland. So my question is this: Does the minister really intend to take action to compel the corporation finally to establish facilities in Sept-Îles, and does he intend to meet with the corporation management so that they follow up on their own commitment in this regard?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I know that for a very long time the hon. member for Manicouagan has shown concern over this matter which is of great interest for the people in his area and in the whole North Shore area. So I would like to indicate to the hon. member that unfortunately I do not have the authority required to compel the CBC to meet the commitments he has mentioned. However, I can assure him that I have already made representations on his behalf to the corporation and that within the next few days I intend to meet with the management to discuss this matter.

Oral Questions

ENERGY

INQUIRY WHETHER EXPORT TAX WILL BE IMPOSED

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In the last two weeks, the minister has been forced to touch upon the subject of an import tax on all forms of energy. I would like to ask the minister—

An hon. Member: Export—

Mr. La Salle: —pardon me, an export tax. I thank my colleagues for the correction. I wonder if under the circumstances, the minister has asked his officials to draft legislation to this effect, and if not, does he intend to do so?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my officials have not been instructed to draft any type of legislation on the subject. As I have indicated to a great many Canadians, provincial spokesmen, particularly from Saskatchewan and Alberta, have commented that the people of those provinces found unjust that an export tax be imposed on oil and not on other forms of energy, that the issue had not been considered in the context of a full scale review of the energy policy and that the issue would be considered and reviewed. No decision has yet been taken on the matter.

REQUEST PROVINCES BE CONSULTED BEFORE IMPOSITION OF EXPORT TAX

Hon. Roch La Salle (Joliette): Madam Speaker, I should like to ask the responsible minister whether he can assure the House, since those discussions have been held in fact, that no decision to that effect will be reached without it having been negotiated with the provinces or at least without having obtained their agreement to the matter.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already had a number of consultations with all provinces on all sorts of energy questions, and it is quite possible indeed that, before a final decision is made, there might be others. However, I find it strange that the hon. member should suggest that a tax measure which, for instance, would fall strictly within the jurisdiction of the Minister of Finance, should be subject not only to consultations with the provinces but also to their approval. If the hon. member is suggesting that the federal budget prepared by the Minister of Finance should first be approved by the provinces, I feel his conception of the role of the federal government is very strange indeed.

[*English*]

NORTHERN PIPELINE ACT—PROVISIONS RESPECTING FINANCING OF PIPELINES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we would be happy if the budget could be approved by the House of Commons, but we have not seen one yet.

My question is addressed to the Prime Minister or to the Minister of Energy, Mines and Resources. Can either minister tell us whether the government is considering changing the wording of section 12 of the schedule attached to the Northern Pipeline Act in a way which would change the requirement that financing must be in place for the complete line before approval is granted for the pre-build?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the right hon. Leader of the Official Opposition is aware of the fact that the National Energy Board already made that recommendation to cabinet and, at the time, it refused to consider it until it had more information on the matter and there were new developments. The recommendation of the National Energy Board is still before cabinet and will obviously be either accepted or rejected.

[*English*]

Mr. Clark: I wonder, then, if I might have an assurance from either the Minister of Energy or the Prime Minister that any change to the schedule which would have a significant effect upon the conditions would be brought before the House of Commons before it is implemented. In other words, I am asking for an assurance that the government will not use the device of simply amending the schedule as a means of avoiding debate in Parliament on what could be a very important change in policy.

Mr. Lalonde: The right hon. member refers to a "device". I would refer him to the legislation which was passed by Parliament in 1978 and which specifically provided for exactly what he is talking about. In section 20(4) there is a provision enabling the National Energy Board to amend conditions. So there is no question about not respecting Parliament or the will of Parliament. Provision for this has been specifically made in the act, so there is no question of using any special device to avoid Parliament.

Mr. Clark: Madam Speaker, we now have a clear indication that the government is planning to change the conditions by changing the schedule and, consequently, changing the intent of the act which Parliament passed.

What I am seeking is a clear statement from either the minister or his superior in energy matters, the Prime Minister, that a change in the act will not be made by amending the schedule without coming to the House of Commons.

Mr. Lalonde: As usual, the Leader of the Opposition chooses to misinterpret completely what has been stated. No

decision has been taken, as I have indicated quite clearly. A recommendation by the Energy Board has already been rejected. The matter is presently before cabinet, and when a decision is made it will be announced. No decision has yet been made one way or the other.

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AIR SAFETY

DUBIN INQUIRY—TESTIMONY OF MOT OFFICIALS

Mr. Les Benjamin (Regina West): Madam Speaker, I should like to address a question to the Minister of Transport. Following testimony by a Ministry of Transport aviation inspector before the judicial inquiry in Quebec City, Mr. Justice Dubin warned a senior Transport Canada official that he will not tolerate intimidation of witnesses appearing before his commission of inquiry into aviation safety. He also said he would do everything in his power to ensure that no witness appearing before his commission would be harassed or unfairly dealt with.

Will the minister assure us that he, too, will not tolerate harassment or intimidation of employees of his department by any of his officials, and that no effort to tamper with or influence testimony of employees who are to appear as witnesses will be allowed; and will he send a warning in writing to his deputy minister, assistant deputy ministers and all other officials and supervisors in his department to that effect?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I find it interesting that the same judge, the Chief commissioner of the commission, should have found it useful yesterday, to compliment the officials in the air administration branch of my department for their openness, frankness and objectivity in this situation.

The air administrator of my department has repeatedly said, in private and in public, that officials of the department were free to come and give evidence before the commission. He said openly that there would be no penalty attached to such action. I wish to say emphatically—and this is as good as a letter—that it is also my attitude and I will see to it that it is implemented in the future as in the past.

● (1450)

Mr. Benjamin: Madam Speaker, I appreciate the minister's assurances in that regard. In the present context, with regard to the future treatment of these employees, to make sure that there is no possibility that those employees who appear as witnesses will be unfairly or improperly treated later by supervisors or officials for giving evidence to the inquiry which they might not like, will the minister issue a directive to all officials in his department that there is to be no unfair treatment or lack of consideration given to any employee, no lessening of their opportunities for advancement or promotion, no derogatory insertions in their personnel files, no refusing to speak to or to deal openly and normally at all times with such employees?

Mr. Pepin: My hon. friend is sufficiently sophisticated to know that a statement of that kind might not solve all the problems. There are ways of being unfriendly to a person when you want to be that, as my friend can well imagine. But speaking from the top of my head—

Some hon. Members: Oh, oh!

Mr. Pepin: —and with great sincerity, I might offer to do something even more worthwhile than what the hon. member suggested. I might promise to the House—because what is taking place now is, in my view, a very serious event which might have a traumatic effect on the department—to pay particular attention to the officers who are going to present testimony which might not be friendly to the department, and I promise to meet them and to ensure that they are not hurt in the process.

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ENERGY

PROPOSALS SUBMITTED TO ALBERTA ON OIL PRICING AGREEMENT—TAR SANDS DEVELOPMENT

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In reply to a number of questions from this side of the House, the minister indicated that to gain an oil pricing agreement with Alberta he had submitted four proposals to Alberta.

My question is whether they were really four distinctly different proposals, or did the minister submit four times the same proposal? If they were indeed distinct, which I doubt, I should like to ask the minister, what were the differences?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): First of all, I would like to assure my hon. colleague that at least four different proposals were made during the discussions I had with my counterpart from Alberta. These various proposals were all rejected for different reasons. However, I wish to add that the Alberta energy minister and myself have agreed that for the benefit of the negotiations which are in progress, it would be preferable not to give out the details of the offers made.

[*English*]

Mr. Shields: Madam Speaker, in a supplementary question to the Minister of Energy, Mines and Resources I should like to ask whether he has considered the fact that he might be able to settle the tar sands, or the heavy oil portion of the agreement to allow these two massive developments to get under way.

He did indicate that Petro-Canada is ready to go and that these companies are ready to go. Indeed, Alsands is not ready to go without a commitment on pricing, Imperial Oil is not ready to go without a commitment on pricing, PetroCan is not

ready to go for at least another five years. Has he considered this?

An hon. Member: Marc Lalonde is ready to go right now.

Mr. Lalonde: Madam Speaker, I have indicated that I put forward four different offers on the table and they have been turned down. If my colleague suggests that we should have a special arrangement or separate arrangement for the tar sands development, I certainly would not object to discussing such a proposal. But I must say that I have seen no particular interest in such a separate arrangement for tar sands from my Alberta colleague. I have had no indication whatever that this would go anywhere.

But if my friend thinks that there is a possibility of making real progress by dissociating the general discussions and dividing them, I am certainly willing to consider this and even to communicate with my Alberta colleague to ask him whether he is interested. However, I must tell the hon. member that the meetings I have had lately lead me to believe that this would not be very productive.

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RAILWAYS

DECISION ON BRANCH LINES

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Transport. Would he inform the House when the decision on branch railway lines will be made, the lines mentioned in what is called the Neil report, which he indicated he would look at? Was that decision made, and can he announce it to the House?

Hon. Jean-Luc Pepin (Minister of Transport): I will do so quite soon, Madam Speaker.

Mr. Murta: Madam Speaker, "quite soon" is really not good enough in terms of an answer. Can the minister give us an indication whether "quite soon" will be before the end of July, and is he giving very serious consideration to retaining the lines that were put into the permanent network? That is what westerners really want to know.

Mr. Pepin: I am quite aware of the importance of making a decision soon, because uncertainty in these circumstances is not good. But I have to go through the normal process of obtaining the support of my colleagues for whatever action I will take. My recommendation will be going to a committee of the cabinet very soon.

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FISHERIES

SWORDFISH—U.S. BAN ON IMPORTS FROM CANADA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. In view of the fact that the extensive U.S. market has been closed by U.S. regulations prohibiting the importation of swordfish from Canada since 1971, thereby making the 3,500 tonnes quota for 1980 meaningless, I ask the minister whether he has recently been in touch with the U.S. Food and Drug Administration, which is responsible for the regulation, to request them to lift the ban. If so, what response did he receive?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): I have not been in touch recently with the Food and Drug Administration in the U.S. I know that some efforts had been made before I left office, and I presume they were continued under my successor. I have nothing new to report on that. I am afraid that in fact what we are seeing is what I had warned about some time ago—that the size of the Canadian market was simply not large enough to permit a very economic operation.

Mr. Crouse: Since the Canadian swordfish season opened in June, and the Canadian market is very limited—as the minister stated—will he undertake to present to the U.S. FDA a well-documented report covering scientific research to clarify the fact that the mercury level in swordfish is not significant enough to endanger human health, and request that the importing ban should be revoked so that this approximately $15 million industry could be restored to Nova Scotia?

Mr. LeBlanc: Madam Speaker, I know that a great deal of very valuable and correct information was given to our American friends. They did not act at that time, but I think it is worth going to them again.

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TRANSPORT

RECOMMENDATIONS OF TASK FORCE RESPECTING MOVEMENT OF GRAIN

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to direct my question to the Minister of Transport. Did the minister give any consideration to the recommendation of the grain transportation task force which suggested that the private sector, if certain economic situations were to their advantage, would invest in rolling stock, cars—similar to the situation of the 100 per cent tax write-off on Canadian films? I believe that the suggestion was accepted by the previous administration. Did he give any consideration to that?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we are giving consideration to everything, and I will add this one to the others.

LEASING OF HOPPER CARS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I am very pleased with the answer the minister gave,

but now I should like to direct a question to the Minister of Industry, Trade and Commerce, because his seatmate, the Minister of Transport, did not consider and accept a principle which was accepted by the Conservative government.

Is he aware that his government will be paying out $275 million to two American banks, the J. P. Morgan Interfunding Corporation and the Connecticut Bank and Trust Company, for leases on Canadian hopper cars?

● (1500)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am sure my colleague, the Minister of Transport, is very much aware of all these considerations. He is demonstrating that daily.

Some hon. Members: Oh, oh!

Mr. Gray: And I am happy to share with him—

An hon. Member: Get your tongue out of your cheek.

Mr. Gray: I am happy to share with him a commitment to improving very soon western grain transportation.

An hon. Member: Beat your chest.

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FISHERIES

POLICY ON COMMERCIAL SALMON FISHERY ON EAST COAST

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. Has he and his department arrived at a policy yet with respect to the commercial salmon fishery in the Bay of Fundy and other areas of Atlantic Canada? If so, what is that policy?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I hope I understood the hon. member's question. The policy has not changed. Perhaps the hon. member is referring to some newspaper report to the effect that 75 per cent of a fisherman's income would have to come from the fishery before he was qualified to hold a licence. Frankly, I do not know from where the report originated. That is not in the policy. We are discussing the whole area of fisheries licensing, but under no circumstances would we put, in that type of region—which is rather dependent upon seasonal fisheries—that sort of regulation. So I can only knock down what appears to have been a rather mistaken speculation about the whole field of licensing.

Mr. McCain: Madam Speaker, in view of the fact commercial fishermen in the Bay of Fundy and other Atlantic regions where the salmon fishery is now barred will not have a fishing season this year, is the minister now prepared to assure salmon fishermen that they will receive the historic payments in lieu of fishing that was the policy of his department for a number of years? If so, when?

Mr. LeBlanc: Madam Speaker, I really have to remind the hon. member—and he might want to look at this in *Hansard* when he sat on this side—it was announced that the ban would be continued but compensation would be terminated. The then minister, my predecessor, then realigned his position and I congratulate him for it. But the fact is that no money was left in the estimates to undertake the payment to fishermen. I am now trying to restore this budget, as I am trying to restore a number of others.

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[*Translation*]

NATIONAL ANTHEM

REQUEST THAT RADIO AND TELEVISION STATIONS OPEN AND CLOSE DAILY PROGRAMS WITH "O CANADA"

Mr. Normand Lapointe (Beauce): Madam Speaker, my question is for the Secretary of State. Radio and television stations used to end their programming by playing our national anthem, "O Canada". This commendable custom was dropped some time during the 1970s. Would the Secretary of State write a letter to the administration of the radio and television stations urging them to open and close their daily programming by playing "O Canada"?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I feel that the suggestion made by the hon. member touches the heart of every member of the House. It will give me great pleasure to follow up on it and communicate with all radio and television stations as well as with all cable companies in the country recommending that they adopt the policy suggested by the hon. member.

* * *

SUPPLY AND SERVICES

PURCHASE OF TIRES FROM CANADIAN MANUFACTURERS

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, during the period reserved for presentation of motions under S.O. 43, the hon. member for Kootenay East-Revelstoke (Mr. Parker) made a motion. I thank him for having brought to the attention of Canadians through his motion the very progressive policy my department has adopted concerning supply, in using this system to "Canadianize" our industry. Unfortunately, Madam Speaker, when he made these statements, he indicated that we had bought thousands of tires from Hungary whereas in fact we have bought only 192.

Madam Speaker: Order. There is so much noise in the House of Commons that I cannot even hear whether the hon. minister is raising a point of order and decide whether he ought to be recognized. I would ask hon. members to let me hear him so I can see what procedure should be adopted.

Point of Order—Mr. Blais

[*English*]

Mr. Blais: Madam Speaker, I might indicate that what I was saying was that the hon. gentleman made allegations in the motion under Standing Order 43, which he presented. Those allegations were inaccurate. In effect, the tires were purchased from B. F. Goodrich.

[*Translation*]

Madam Speaker: Order, please. It is sufficiently clear that the hon. minister does not have a point of order but is launching into a debate about a motion introduced under the provisions of Standing Order 43. Therefore, I cannot hear the hon. minister. The hon. member for Edmonton North on a point of order.

* * *

[*English*]

SPORTS

SCHOLARSHIPS AND INTERNSHIPS FOR ATHLETES

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, at this time of the year when a lot of our athletes are looking for scholarships and internships, otherwise they will lose their scholarships here in Canada, my question for today was—

Some hon. Members: Oh, oh!

Mr. Paproski: It is very important. They have not heard it yet.

Some hon. Members: Order.

Madam Speaker: Order, please. I need not remind the hon. member "question period" is over.

Mr. Paproski: On the same point of order, Madam Speaker, it was not a question. I just wanted to know whether the minister had cashed the cheque for $12 million.

Madam Speaker: Well, if it was not a question, it seems to me the hon. member has made his representations.

* * *

[*Translation*]

POINT OF ORDER

MR. BLAIS—PROCEDURE RESPECTING S.O. 43 MOTIONS

Hon. J.-J. Blais (Minister of Supply and Services): I rise on a point of order, Madam Speaker.

Madam Speaker: The hon. Minister of Supply and Services on a point of order.

Mr. Blais: Madam Speaker, it is a very simple point. During the period of motions under the provisions of Standing Order 43, opposition members make allegations which they do not pursue by asking questions during question period.

Madam Speaker: Order, please. I cannot allow such an intervention any more than I can allow members on the other side of the House to use one procedure or another to express their dissatisfaction with answers they received from government members. I think I am being fair in not recognizing members of this side who are not pleased with allegations made during the period of motions under Standing Order 43, any more than I would let hon. members on the other side initiate a debate about an answer they obtained from a minister.

[*English*]

Mr. Sid Parker (Kootenay East-Revelstoke): On the point of order, Madam Speaker, I presented some facts. Because I did not put in issue the manufacturing of that company—

Some hon. Members: Order.

Mr. Parker: —the fact remains—

Madam Speaker: Order. I am afraid I cannot allow the hon. member to continue the debate.

ROUTINE PROCEEDINGS

[*English*]

REVISED STATUTES OF CANADA, 1970

TABLING OF PROPOSALS TO CORRECT CERTAIN ANOMALIES, ETC.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, pursuant to Standing Order 41(2), I wish to table in the House in both official languages copies of proposals to correct certain anomalies, inconsistencies, anachronisms, errors and other matters of a non-controversial and uncomplicated nature in the Revised Statutes of Canada, 1970, and other acts subsequent to 1970.

* * *

● (1510)

PRIVILEGE

MR. NIELSEN—OFFICIAL REPORT—ALTERATION TO REMARKS OF HON. MEMBER FOR THUNDER BAY-ATIKOKAN

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a question of privilege. A matter has just been brought to my attention in respect of a question by the hon. member for Thunder Bay-Atikokan (Mr. McRae) and the response given by the Minister of Agriculture (Mr. Whelan), as reported at page 2646 of *Hansard* for yesterday. I personally checked the

blues in respect of this question and answer and the several interjections which occurred at the time. I note that the phrase used in the second to last line of the question by the hon. member for Thunder Bay-Atikokan is "300,000 or 400,000 bales of hay". That is not, Madam Speaker, what he said and the interjections, had they been reproduced, would make that abundantly clear. What he said was "bushels", and the privilege of altering *Hansard* does not extend to members the right to alter the whole sense of what was said. The hon. member is stuck with the word "bushels" and *Hansard* should record that accurately, rather than in this fashion.

I would prevail upon the Chair, because this has happened before and appears to be continuing to happen, to consider that it might be useful, particularly to newer members such as this one, to point out—

Some hon. Members: Oh, oh!

Mr. Nielsen: He is not a new member and should know better. Either that party's caucus chairman, the House leader, or perhaps yourself, Madam Speaker, should once again remind members of the limitations which apply when members make alterations to the blues.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I should like to interject at this time. I had the opportunity, because I sat very close to the hon. gentleman, to hear his explanation when the microphone was turned off. He immediately corrected himself explaining that he meant to say "bales" instead of "bushels".

Some hon. Members: Oh, oh!

An hon. Member: That is not true.

Hon. Jake Epp (Provencher): Madam Speaker, I rise on the same question of privilege. To those of us who were in the House yesterday it was quite clear that the hon. member, when referring to hay, did not use the word "bales" but rather "bushels", and in fact went to the Minister of Agriculture (Mr. Whelan) right after the question period and tried to explain to the minister privately. But I think to all members who were in the House it was clear he used the word "bushels" instead of "bales".

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I do not think this discussion should be prolonged, but I concur in what the hon. member for Yukon (Mr. Nielsen) and the hon. member for Provencher (Mr. Epp) have said. I would appreciate it very much if you would consider examining the blues yourself and, if you find this has occurred, you could order the appropriate correction to be made.

Madam Speaker: We now fortunately have two ways of checking the record. The reporters take down what they hear from an hon. member and we have the soundtrack from the televising of the proceedings. If the soundtrack has not picked up—

Some hon. Members: Oh, oh!

Reference to Committee

An hon. Member: The hon. member should take a lie detector.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. It sometimes happens that some words are not picked up by the microphone. However, I need not remind hon. members that they cannot cause *Hansard* to be changed in respect of something which has been said by another hon. member. Perhaps that hon. member when he comes into the House, after reading *Hansard* tomorrow and sees what has taken place in the House today, will want to give an explanation or correct himself, if there is a need to do so. I will leave it to the hon. member to ascertain or indicate what he really meant or said in the House on that particular day.

* * *

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1980

MEASURE RESPECTING PENSIONS OF VETERANS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved for leave to introduce Bill C-40, to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

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

Madam Speaker: When shall the bill be read the second time?

Mr. Baker (Nepean-Carleton): Later this day.

Madam Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

HUMAN RIGHTS

REFERENCE OF REPORT "FOR CANADA'S CHILDREN" TO STANDING COMMITTEE

On the order: Government notices of motion:

July 7, 1980—*The President of the Privy Council:*

That the report of the Canadian Commission for the International Year of the Child, entitled "For Canada's Children", tabled Friday, May 30, 1980 (Sessional Paper No. 321-4/127), be referred to the Standing Committee on Health, Welfare and Social Affairs.

Madam Speaker: Pursuant to section (2) of Standing Order 21, this government notice of motion stands transferred to, and ordered for consideration under, government orders later this day or at the next sitting of the House.

Order Paper Questions

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN THIRD REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe) moved that the third report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Friday, June 27, 1980 be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 10, 52, 67, 71, 117, 238, 542, 763, 836, 986 and 1,219.

[*Text*]

NATIONAL GALLERY OF CANADA—MR. ANTHONY BLUNT—MR. T. HARRIS

Question No. 10—**Mr. Cossitt:**

1. Did the National Gallery of Canada purchase paintings through arrangement with, or on the recommendation of, alleged British spy Mr. Anthony Blunt and, if so (a) what are the names of all the paintings (b) what were the dates of purchase (c) what was the amount paid in each case and what was the total amount paid (d) what was the total amount of money paid to Mr. Blunt for his services?

2. Did the gallery purchase a painting entitled "Cleopatra and Augustus" purportedly by Mr. Nicolas Poussin and, if so (a) was the painting certified by Mr. Blunt as an original Poussin (b) was the deal with the gallery completed by British art dealer, Mr. T. Harris and, to the knowledge of the government, is this the same Mr. Harris who has been referred to in the alleged recent British spy revelations concerning Mr. Blunt?

3. Has the government any information that Mr. T. Harris was in any way connected with the Maclean-Burgess-Philby and Blunt affair and, if so, what is the information?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State and the Solicitor General as follows:

1. (a) Abraham and the Three Angels by B. E. Murillo
Lamentation by Q. Matsys
Mercury and Argus by J. M. W. Turner
Augustus and Cleopatra by N. Poussin

(b) The date of purchase in the above order are as follows:

1948—Abraham and the Three Angels (by B. E. Murillo)
1949—Lamentation (by O. Matsys)
1951—Mercury and Argus (by J. M. W. Turner)
1953—Augustus and Cleopatra (by N. Poussin)

(c) Abraham and the Three Angels (by B. E. Murillo) was purchased for 8,000 pounds sterling.

Lamentation (by Q. Matsys) was purchased for $31,000

Mercury and Argus (by J. M. W. Turner) was purchased for 7,150 pounds sterling.

Augustus and Cleopatra (by N. Poussin) was purchased for 500 pounds sterling

The total amount paid for these purchases of works of art was 15,650 pounds sterling and $31,000.

(d) Professor Blunt was paid an annual honorarium of 250 pounds sterling a year from June, 1948, to May, 1956, for a total of approximately 1,850 pounds sterling.

2. (a) The painting in question was attributed to Poussin by Professor Blunt in print in 1938, and this attribution was maintained by Professor Blunt in the Burlington magazine as late as 1977.

(b) In so far as the Secretary of State is concerned: The painting was purchased from the Spanish Art Gallery Ltd. operated by Mr. Thomas Harris.

In so far as the Solicitor General is concerned: See Secretary of State's reply to part 2(b) and answer to part 3 below.

3. The policy of the Royal Canadian Mounted Police is to preserve the confidentiality of all information it holds on individuals and organizations.

CBC—CBO-AM, OTTAWA—COVERAGE IN BROCKVILLE, ONTARIO

Question No. 52—**Mr. Cossitt:**

1. Was CBC radio station CBO-AM, Ottawa, increased in power in the past few years and, if so (a) on what date (b) to what amount of wattage?

2. Technically, how large a radius is a 50,000 watt radio station supposed to carry in so far as providing good service?

3. (a) Is CBC aware if CBO-AM Ottawa, produces adequate signals in the area of Brockville, Ontario in the constituency of Leeds-Grenville (b) for what reason is it not available on numerous occasions except faintly (c) what steps will CBC take to provide proper coverage for Brockville by the station especially since CBC programming has been eliminated by Brockville's private radio station CFJR?

4. Have complaints been received from persons in the area that they are unable to pick up CBC news programs, particularly "The World at Eight" and "The World at Six"?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes.

(a) February 1, 1977

(b) 5Kw to 50Kw.

2. No general answer can be given to this question since it depends on such factors as directional radiation patterns, frequency of the station, ground conductivity and tower height. Also, because of propagation characteristics after dark, most stations alter their broadcast pattern in the evening, as required under international agreement, to protect the coverage area of other stations.

3. (a) The CBC is aware that CBO does not provide an adequate signal in the area of Brockville.

(b) Because of the necessity to protect the coverage area of existing stations on the same frequency, CBO could not be designed to cover the Brockville area.

(c) CBC has constructed an FM transmitter near Brockville which is expected to go into service as soon as signal interference problems are largely resolved. This transmitter will carry the same programming as CBO.

4. Some complaints have been received from people in the Brockville area about lack of reception generally, not specifically about "The World at Eight" and "The World at Six".

CBC—CBO—MR. JOHN McGRATH

Question No. 67—**Mr. Cossitt:**

1. Is Mr. John McGrath a staff member of the Canadian Broadcasting Corporation at station CBO and, if so (a) is he with the news department (b) on what date did he join the staff (c) is he on six months probation (d) what are the qualifications which lead him to receiving the job (e) what are his duties?

2. To the knowledge of the government, was Mr. McGrath refused entry to the United States on at least two occasions and, if so, for what reasons?

3. Did Mr. McGrath at one time work for the program "CBO Morning" and did he do research on the opening of mail by the RCMP and, if so (a) did any of his research concern the Octopus Book Store of Ottawa (b) is such research material still in existence and, if not, was it destroyed and for what reason?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): 1. To be answered elsewhere.

2. This question should be directed to the immigration and naturalization service of the United States Government.

3. To be answered elsewhere.

Canadian Broadcasting Corporation:

1. Yes.

(a) Yes.

(b) October 29, 1979.

2. To be answered elsewhere.

1(c), (d), (e), 3(a), (b).

The circumstances and terms of Mr. McGrath's employment and assignments as an individual CBC employee are among those details of internal management and administration which Parliament has not, as a matter of custom, required the CBC to provide. The background of this custom was explained in detail in the reply to question No. 2,530, May 22, 1975.

CBC—ENGLISH AND FRENCH STATIONS—CONSTITUENCY OF LEEDS-GRENVILLE

Question No. 71—**Mr. Cossitt:**

1. What was the total amount of public funds spent in establishing CBC FM English and French transmitting stations in the Constituency of Leeds-Grenville near Maitland, Ontario?

2. Did CBC engineers find that the operation of such stations interfered with radio and television reception by persons in the area and, if so (a) were many complaints received (b) did tests in the past eight months show any improvement in the situation?

3. What are the future plans for the stations?

4. Are the stations inoperative at present and will they continue to be and, if so, what will be done with them?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: 1. Five hundred and twelve thousand dollars.

2. (a) Approximately 100 complaints were received because a number of weak FM signals (Radio & Television) in the area were affected when the CBC FM transmitters were tested. The transmitters were installed to replace CBC service formerly provided by a local affiliate, to strengthen inadequate AM coverage areas and to provide a basic French language service for the area.

CBC/DOC tests have established that the CBC signals are in conformity with DOC standards and consistent with the provisions of the licence issued by CRTC.

(b) No.

3. The stations will go on the air as soon as the signal interference problems are largely resolved. CBC will shortly be making available to area residents technical advice on possible remedies to reduce or eliminate the interference.

4. The stations are inoperative at present. See answer to (3).

HULL, QUE.—CONSTRUCTION AND MAINTENANCE OF BUILDINGS

Question No. 117—**Mr. Cossitt:**

1. In each of the past six years, what was the total amount spent by the government on construction and maintenance on government owned buildings or property of any kind in the Hull, Quebec area?

2. What was the total for the six years combined?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by the Department of Public Works and the National Capital Commission as follows: In so far as Public Works Canada is concerned: 1. The following amounts were spent in the past six years on construction and maintenance of government-owned buildings and property in Hull, Quebec:

Fiscal Year	Amount ($000)
1974/75	$ 34,448
1975/76	$ 56,415
1976/77	$ 46,831
1977/78	$ 48,941
1978/79	$ 39,037
1979/80	$ 20,539
2.	$246,211

Note: This includes expenditures on roads and bridges but does not include expenditures for leases or lease-purchases.

In so far as the National Capital Commission is concerned:
1. In each of the past six fiscal years, the following amounts were spent on construction and maintenance on government owned buildings or property of any kind in the Hull, Quebec area:

Fiscal Year	Amount
1974/75	$ 3,738,367
1975/76	$ 4,569,625
1976/77	$ 5,471,095
1977/78	$ 6,169,983
1978/79	$ 7,006,486
1979/80	$ 6,210,970
2.	$33,166,526

PART-TIME WORKERS

Question No. 238—**Mr. Herbert:**

1. What percentage of all persons employed are in part-time jobs?

2. How many do not work sufficient hours to qualify for unemployment insurance benefits?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. Statistics Canada has reported that in 1979, 12.6 per cent of the employed labour force were part-time workers. Statistics Canada defines a part-time worker as one who usually works fewer than 30 hours a week and does not consider himself or herself a full-time worker.

2. Under the current rules for minimum weekly insurability, it is estimated that about 130,000 individuals who were part-time workers were prevented from establishing a claim in 1979.

JUSTICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 542—**Mr. Orlikow:**

1. For the fiscal year 1978-79, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programs or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Department of Justice?

2. How much was committed on each contract and to whom?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): 1(a) and 2. See list below. (b) None.

Payee	Services	Expenditures 78-79 $	Total Contract Amount $
Maureen K. Saltman	Study the feasibility of rationalizing the number of quasi-judicial tribunals in the federal government, including functions of some of these tribunals as a means of reducing their number and overall operating costs without adversely affecting performance.	13,086	38,086
Edmund John Clark	Operate a project at the Vancouver, B.C. Court House to test out some of the proposals of	18,023	34,417
Warren Standerwick	the Law Reform Commission of Canada in the area of pre-trial procedures, but limited to	36,000	72,200
Lois Jeanne Vicens	federal prosecutions.	12,000	25,200
Sharon Card	Implement an evaluation design for the department's diversion projects.	21,000	49,175
Hope MacLean	Produce a format for the evaluation of the Native Courtworker Program.	4,050	16,387
	Conduct trial implementation of the evaluation design for the Native Courtworker Programs in two jurisdictions. Report on the results and recommend changes needed to the evaluation design.	13,204	48,929
	Consult on the evaluation report and on the implementation of changes in the Native Law Student Program.	3,250	3,250
Ray Corrado	Preliminary research directed toward designing an evaluation for delivery of Legal Aid Services through the judicare and public defender models.	18,415	18,415
Margaret Ruth Canshorn	Evaluate and report on projects which provide legal services to mental patients in institutional settings.	4,150	4,150
Fiore Sicoly	Prepare and oversee the implementation of an evaluation design for the Unified Family Court Projects (Phase II).	12,283	12,283
Marilyn MacCrimmon	Design and perform an evaluation of the Vancouver Pre-Trial	600	600
Aidan R. Vining	Discovery Project.	500	500
Frank Maunula	Elaborate a research design that could be utilized in evaluating the Thunder Bay Legal Aid Clinic.	4,412	4,412
Marie-Diane Rousseau	Design and implementation of an evaluation of the Pt. St. Charles Legal Aid Clinic.	10,030	18,330
Social Planning Council of Winnipeg	Develop a research design which could be used to evaluate the impact of Legal Aid "User Fee" (Manitoba).	6,500	6,500
University of British Columbia	Implement an evaluation designed to examine the cost and service effectiveness of the delivery of Legal Aid Services through Judicare and Public Defender Models.	24,000	262,743

Payee	Services	Expenditures 78-79	Total Contract Amount
		$	$
University of Regina	Design and implement an evaluation format of the Regina Native Council Project.	3,000	5,000
University of Toronto	Evaluate current practices with respect to mental disorders and the		
Arboleda Florez	Criminal Justice System in relation to:	45,347	45,347
Wyberna Ltd.	Pre-Trial	24,772	24,772
Robert O'Reilly	Post-Trial	4,348	4,348
	Corrections & Police Training	2,500	2,500
Michèle Rivet	Prepare a research paper on the lump sum awards granted pursuant to the provisions of the Divorce Act.	1,000	2,000
Joan Tator	Conduct research in the area of childrens' rights namely to assist in preparatory work for study proposals with respect to Section 33 of the Juvenile Delinquents Act and to collect data with respect to sexual abuse of children.	5,963	8,463
Norman W. Hill	Review and analysis of Law Reform Commission working papers and reports on 1) Jury 2) Homicide – assaults and threats, 3) Contempt of Court; preparation of policy discussion papers outlining the policy implications of the Law Reform Commission proposals in terms of substantive and procedural implementation; and outline alternative proposals for implementation and the feasibility thereof as they relate to the law reform proposals.	11,611	45,636
Brian Tannenbaum	Research concerning guidelines in the area of sentencing and corrections; participate in the preparation of papers that would present discussion as to the efficacy of guidelines, participate in discussion to compare the desirability of legislative guidelines with exemplary guidelines and whether empirical or normative guidelines.	9,302	9,302
Ian V. Dubienski	Assist and advise the Department of Justice by directing the Sentencing Project.	7,233	33,330
Dennis O'Connor	Advisor to the Sentencing Project particularly to examine the use of "day fines" as a sentencing alternative and its implications.	2,572	7,939
Lorne Elkin	Consult on, and design the evaluation of the Regina Mediation Diversion Project.	3,999	3,999
Douglas G. Heatley	Data analysis of selective changes in the Bail Reform Act (1975) in Victoria.	2,500	2,500

TREASURY BOARD—ADMINISTRATIVE AND POLICY CONSULTANTS—CONTRACTS

Question No. 763—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Treasury Board and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board):

Insofar as the following are concerned:

			Amount paid
Treasury Board Canada	(a)	8	$ 34,546.20
	(b)	19	$503,263.41
Office of the Comptroller General of Canada	(a)	22	$248,997.35
	(b)	4	$ 46,540.24

Treasury Board Canada
Administrative Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
McDonald David	1	$ 525.00
Allard, Beaudoin	1	1,400.00
Sherwood L. E.	1	355.00
Poncelet M.	1	125.00
Hamilton Richard E.	1	8,625.00
Nepean Development Consultants	1	500.00
Vilaire Pierre et Associés	1	17,230.20
Seally W. John	1	5,786.00
	8	$34,546.20

Treasury Board Canada
Policy Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
Carpenter R.	2	$ 9,172.47
Silverman Consulting Services	1	5,000.00
Laplante, Gauvin, Pouliot, Guérard et Associés Incorporé	1	35,460.00
Fortier Joseph W. Guy	1	15,843.58
Groupe ECI Inc	1	33,520.40
Maybee John R.	1	4,200.00
Laventhold and Horwath	1	22,039.46
William Nobleman and Associates Ltd.	1	2,000.00
Abonyi George	1	444.00
E.A. Ames and Co. Ltd.	2	290.000.00
Murat B. E.	1	30,125.00
Milligan Eric A.	1	20,200.00

Order Paper Questions

Treasury Board Canada
Policy Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
Towers Perrin Foster and Co. Ltd.	1	8,141.00
Anderson R.	2	12,480.00
Extral Consultants Ltd.	1	6,637.50
Collerette Pierre	1	8,000.00
	19	$503,263.41

Office of the Comptroller General
Administrative Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
Robinson A. J.	1	$ 750.00
C. Lovell Limited	1	3,380.96
Center for Policy and Management Studies	1	500.00
Social Science Federation of Canada	1	150.00
Crandall R. H.	1	16,900.00
University of Victoria	1	16,640.00
Quasar Systems Limited	6	73,063.75
Friesen, Kaye and Associates	2	43,169.51
E.A.C. Amy and Sons Ltd.	2	49,750.00
Manitoba 37656 Manitoba Ltd.	1	32,700.00
Square One Management Ltd.	1	6,113.13
Chateauvert Denyse	1	1,200.00
Dixon Management Consultant	1	3,000.00
Van Eijk, Jannie	1	180.00
Youtec Consulting Ltd.	1	1,500.00
	22	$248,997.35

Office of the Comptroller General
Policy Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1980 Cost
Hickling and Johnston Ltd.	1	$ 23,886.24
Kemball P. R.	2	11,179.00
Thames Group Research Incorporated	1	11,475.00
	4	$ 46,540.24

OLD AGE SECURITY

Question No. 836—**Mr. Howie:**

As of November 1, 1979, how many persons were receiving old age security benefits?

Hon. Monique Bégin (Minister of National Health and Welfare): As of November 1, 1979, there were 2,209,133 persons receiving old age security benefits.

RESTRAINT PROGRAM

Question No. 986—**Mr. MacKay:**

1. With reference to the government's restraint program of (a) 1978 (b) 1979, by province and territory, what (i) was the per capita reduction (ii) was the total reduction in expenditures (iii) were the reductions as a proportion of the national total?

2. For the same years, did the Atlantic provinces bear a disproportionate share of such reductions stemming from programme changes and cuts?

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): 1 and 2. The Treasury Board secretariat does not have all the information required to address these questions, and such information would be costly to assemble. Moreover, considering program cuts in isolation would provide only a partial and misleading picture, for several reasons. First, it is important not to ignore the rapid growth in on-going programs, such as equalization payments which favour economically weaker regions. Second, there is the impact of certain "tax expenditures", such as the Investment Tax Credit for DREE designated areas and the Child Tax Credit which again tend to favour the economically weaker regions. Finally, other policies, while not having direct budgetary implications, nevertheless have important consequences for particular regions. One example is the extension of Canada's territorial waters to the 200-mile limit.

FAIR WAGES AND HOURS OF LABOUR ACT

Question No. 1,219—**Mr. Cossitt:**

1. Did the Minister of Labour receive a brief from the Canadian Executive Board of the Building and Construction Trades and, if so (a) did it contend that the 1935 *Fair Wages and Hours of Labour Act* should be updated because it gives advantage to non-union contractors on government tenders (b) has the minister answered any of the points raised in the brief and, if so, what were his answers and to which points?

2. Is the government prepared to consider that government contracts given to contractors should be given either to those who employ union help or to those, although non-union, who pay a fair wage in the area in question?

Hon. Gerald Regan (Minister of Labour): 1. (a) Yes

(b) The minister has not answered any of the points raised in the brief.

2. The government's position has always been that employees working on government contract projects should be paid fair wages.

* * *

[*English*]

STARRED QUESTION

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, would you be so kind as to call starred question no. 971.

[*Text*]

*ST. JOHN'S AIRPORT—REDUCTION OF RADAR APPROACH SERVICES

Question No. 971—**Mr. McGrath:**

1. Did the government reduce radar approach services at the St. John's airport and, if so, are the reductions within safety standards?

2. Was there a reduction in man-years and in equipment in connection with the operation of the radar services and, if so, for what reason?

[*English*]

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Transport Canada advises as follows: 1. At the time of the question, radar approach services at St. John's airport had not been reduced. However, on May 30, 1980, a notice to airmen—NOTAM—was issued advising aircraft operators that it was planned to withdraw the PAR service at the St. John's airport on June 9, 1980. As scheduled, a NOTAM was issued on June 9 advising that this PAR system was decommissioned. This system was decommissioned to enable the relocation of the glide path on runway 17 during the upgrading and modernization of the existing instrument landing system on that runway. All other instrument approach systems will continue to be operated in accordance with existing safety standards.

2. Now that the PAR system has been decommissioned, it will be removed. The immediate reason for the removal of the equipment is to provide a standard threshold crossing height for aircraft utilizing the ILS on runway 17 which will enable aircraft to take advantage of a greater runway landing distance under IFR conditions. The long-term reason is to remove this old equipment to comply with departmental policy to remove precision approach radar systems at an airport when two front-course instrument landing systems are available on separate runways. It is not expected there will be a reduction in person-years as the approved number of air traffic controllers is unchanged and these person-years will be utilized to provide increased staff for the control tower at St. John's. The number of person-years within the telecommunications support area will remain unchanged.

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

Motion under S.O. 26

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

NORTHERN PIPELINE ACT

AMENDMENTS PROPOSED BY NATIONAL ENERGY BOARD

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I ask leave to move the adjournment of the House under Standing Order 26, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the amendments to condition 12 of schedule 3 of the Northern Pipeline Act which have been proposed by the National Energy Board, which amendments, if approved by the governor in council, would subvert the intentions of Parliament as expressed in the original Northern Pipeline Act, and could result in the most massive, wasteful and shortsighted sell-out of a non-renewable energy resource of recent times.

I submit personally that the motion meets the test under the rule; second, the question period today indicated why we need this debate; third, if there is to be a cabinet decision before the debate then it would be useless to have a debate after, we need the debate now; and fourth, no government business will be affected if there is a debate tonight, and it will not affect the pension legislation. I urge you to grant leave, Madam Speaker.

• (1520)

Madam Speaker: The hon. member gave the Chair the required notice to ask for leave to move the adjournment of the House under Standing Order 26. In his application the hon. member for Vancouver-Kingsway (Mr. Waddell) raises a number of points. He questions the wisdom and legality of the amendments proposed by the National Energy Board to the Northern Pipeline Act. He wants to discuss whether such changes to the act were ever intended when the House passed the Northern Pipeline Act in 1978. He feels that because cabinet must make a decision soon regarding the ratification of the proposed amendment, the issue requires the urgent consideration of the House.

While the hon. member is quite properly concerned about the importance of the subject, the Chair must determine whether Standing Order 26 is the appropriate avenue through which to bring this subject to the attention of the House. On April 30, 1975, as appears at page 5340 of *Hansard*, Mr. Speaker Jerome ruled that under almost no circumstances can a review of the law be regarded as an emergency provision rather than a continuing legislative concern of this House. Therefore, it does not constitute a proper subject for debate under Standing Order 26.

The hon. member also wants to review the legal authority of the National Energy Board, an entity to which Parliament has given certain powers under the Northern Pipeline Act, for proposing amendments to a schedule of the act. In a similar situation which involved Bell Canada and the Canadian Transport Commission, Mr. Speaker Lamoureux ruled on November 9, 1971, on pages 9467 to 9468 of *Hansard:*

Motion under S.O. 26

It also appears to the Chair that the hon. gentleman, in the main, is asking for a review or reconsideration of the statutory powers of the Transport Commission . . . It may well be that such a review or reconsideration of the powers of the commission might be desirable, but it does not seem to me that a debate under Standing Order 26 is the appropriate or the effective method for such a review.

It seems to me that Mr. Speaker Lamoureux's ruling applies precisely to the case that we have before the House today.

Finally, Standing Order 26, section (16), states that the right to move the adjournment of the House is subject to the condition that:

The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration.

The member himself has stated that he raised the matter as early as April 17 of this year. Since then there have been two opposition days dealing with energy policy, one on May 8 and one yesterday, July 8. As well, the Standing Committee on Northern Pipelines, to which all reports and agreements mentioned in the Northern Pipeline Act are permanently referred, has also been meeting. It must also be noted that Standing Order 65(1)(t) states that this committee shall report at least three times in every session.

It would seem to the Chair, therefore, that this subject does not qualify as a genuine emergency and that the House has had and will have other opportunities to discuss the matter.

The hon. member for Vancouver-Kingsway has obviously availed himself of the opportunity to raise the matter in the House on a number of occasions. The fact that he seems to feel he needs yet another opportunity does not in itself constitute an emergency.

For these reasons I must regretfully decline to accept the hon. member's motion at this time.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, with respect to the ruling which you just gave on the Standing Order 26 motion, I rise again to inform hon. members that Standing Order 26(3) provides:

When requesting leave to propose such a motion, the member shall rise in his place and present without argument the statement referred to in section (2) of this order.

Section (2) simply says that this House will now adjourn. I would like the House to realize that the hon. member for Vancouver-Kingsway (Mr. Waddell) was perhaps given some latitude which is not permitted by the rules.

Mr. Hnatyshyn: Don't be so mealy-mouthed.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I suggest that the parliamentary secretary has made a gratuitous intervention. I happen to know that the original draft prepared by the hon. member for Vancouver-Kingsway (Mr. Waddell) was a lengthy one, and I counselled him to shorten it. When he stood he read a briefly stated motion. His comments were so brief that I am sure Your Honour does not feel that he transgressed the rule in any way. The parliamentary secretary should save that comment for some other occasion.

Madam Speaker: It seemed to me that the very, very short statement which was made by the hon. member for Vancouver-Kingsway (Mr. Waddell) was quite acceptable. The draft which I received, of course, gave in length many arguments for which the hon. member thought that this motion should be considered, and that is fine. The draft can be very lengthy, but it is helpful for the Chair if it provides all the bases upon which the motion is requested.

However, the statement made today by the hon. member for Vancouver-Kingsway, it seems to me, was reasonably brief, I am sure that it was formulated to inform the House briefly of the reasons for which the hon. member was putting his motion.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 15 is acceptable to the government, subject to the usual reservations pertaining to the confidentiality of certain parts of the information requested.

Perhaps you would be so kind, Madam Speaker, as to call notice of motion for the production of papers Nos. 4, 7 and 22.

Madam Speaker: Subject to the reservations or contingencies expressed by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 15 be deemed to have been adopted?

Some hon. Members: Agreed.

TREASURY BOARD—POSSIBILITY OF TRANSFERRING THE GOVERNMENT'S COMPUTER OPERATIONS TO THE PRIVATE SECTOR

Motion No. 15—**Mr. Nystrom:**

That an order of the House do issue for copies of all correspondence, memoranda, notes, minutes of meetings and other communications, between June 1, 1979, and February 25, 1980, involving the Treasury Board and relating to the possibility of transferring any or all of the government's computer operations to the private sector.

Motion agreed to.

STUDY—GRAIN TRANSPORT—WESTERN CANADA.

Motion No. 4—**Mr. Herbert:**

That an order of the House do issue for a copy of the latest completed study on grain transport in western Canada.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the document requested is of a voluminous character and would require an inordinate cost and length of time to prepare. However, I sent today a copy of the requested document to the hon. member. Therefore, the hon. member is asked to withdraw his motion.

Mr. Hal Herbert (Vaudreuil): Transfer for debate.

Madam Speaker: Transferred for debate.

DEPARTMENT OF TRANSPORT—HYDRO QUEBEC—HIGH TENSION ELECTRICAL LINES CROSSING THE OTTAWA RIVER AND THE ST. LAWRENCE RIVER.

Motion No. 7—**Mr. Herbert:**

That an order of the House do issue for copies of all minutes of meetings, documents, telegrams and letters concerning discussions between officials of the Department of Transport and Hydro-Quebec relating to high tension electrical lines crossing the Ottawa River below Carillon and the St. Lawrence River above Beauharnois.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, again the documents requested are of a voluminous character and would require an inordinate cost and length of time to prepare. I have, however, sent a copy to the hon. member. Therefore, I ask the hon. member to withdraw his motion.

Mr. Hal Herbert (Vaudreuil): Transfer for debate.

Madam Speaker: Transferred for debate.

EXTERNAL AFFAIRS—REPORT OF PROFESSOR BARNHILL—CARLETON UNIVERSITY—OTTAWA

Motion No. 22—**Mr. MacKay:**

That an order of the House do issue for copies of a report commissioned by the Bureau of Physical Resources, Department of External Affairs, prepared by Professor Barnhill of Carleton University, Ottawa, in 1979.

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the report asked for by the hon. member for Central Nova (Mr. MacKay) was prepared as an internal working paper and contains comments on the competence, abilities and personalities of certain employees of the department. As such, it cannot and should not be tabled. I would therefore ask the hon. member to withdraw his motion.

Madam Speaker: Will the hon. member withdraw his motion?

[*English*]

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, this report, which was commissioned by R. K. Plowman of the Bureau of Physical Services, is obviously one that is of great moment. The actions of this particular department have been indirectly commented upon. It is the single department within the Department of External Affairs which is totally responsible for the provisioning of our diplomatic and other representatives abroad.

The bureau spends a great deal of money and is of such a character that I think the government would want, particularly if it is committed at all to freedom of information, to commission this report which appears ironically enough to be held back by the very person who commissioned it, Mr. Plowman. It deals with his management style and the style in general with which the bureau is managed.

I would certainly not withdraw my request but request that it be transferred for debate. If the government will not put this information on record, there may be other ways of doing it.

Madam Speaker: Transferred for debate. Shall the remaining motions stand?

Some hon. Members: Agreed.

● (1530)

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1980

MEASURE RESPECTING PENSIONS OF VETERANS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-40, to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act, be read the second time and referred by unanimous consent to Committee of the Whole.

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

Some hon. Members: Agreed.

Mr. Knowles: No. We are waiting to hear from the minister.

Madam Speaker: Yes, I was going to give him the floor. Then I should withdraw "Is it the pleasure of the House to adopt the said motion?" and give the floor to the hon. Minister of Veterans Affairs (Mr. MacDonald).

Mr. MacDonald: Madam Speaker, it is with a good deal of pride that I speak on second reading of this bill dealing with amendments to the Pension Act, the compensation for Former Prisoners of War Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

As hon. members know, these are economy conscious times. This government is committed to fiscal responsibility and the prudent management of taxpayers' money. But this government has another commitment, a commitment spelled out in the last election campaign by the Prime Minister (Mr. Trudeau) when he promised help to those Canadians who need it most.

This pledge was kept last month when Parliament passed legislation increasing the guaranteed income supplement by $35 per month. Now this government is proposing that Parliament give similar recognition and support to another group of Canadians who deserve our help. I refer to disabled pensioners, the widows and dependants of those Canadians who went to

war for us and those many needy veterans and their dependants who are and will be receiving the war veterans allowance.

Yes, Mr. Speaker, I am proud to be a member of a government and of a nation which continues to honour its debt to those who risked their lives so that future generations could prosper in peace. Memories of war may fade but the reality of hardship for many veterans and their survivors is ever present. To recognize this reality is simple justice.

It is symbolic that this bill is being introduced 50 years after war veterans allowance legislation was first passed in Parliament. During the past five decades, ministers of veterans affairs have enjoyed the support of all parties in this House in their efforts to upgrade veterans' legislation. Certainly I am no exception. By volunteering to give quick passage to this legislation, the opposition parties are showing that they continue to share this government's concern for our veterans, their widows and dependants. As the ministerial guardian of their interests, I thank hon. members sincerely for their co-operation.

Mr. Speaker, there are a large number of legislative changes proposed in this bill, many of which are of a minor nature. I intend to concentrate my remarks on two measures which are of overwhelming significance both in terms of financial commitment and the number of people affected.

First is the amendment to the Pension Act. The purpose of the Pension Act is to provide compensation to those members of the forces and their dependants for disability or death which was a result of military service. The current legislation provides that surviving widows will receive a widow's pension if the wartime pensioner died as a result of an injury or disease which was incurred during or was attributable to military service, or if a peacetime pensioner's death arose out of or was directly connected with such service.

In addition, it provides that a widow's pension will be payable if the pensioner was entitled or would have been entitled to disability pension assessed at 48 per cent or more during his lifetime. Originally the cutoff point was 80 per cent but almost 50 years ago it was changed to 48 per cent. This was because it was considered that in cases where a disability was severe enough to be paid at that rate, death from whatever cause could be assumed to be related in some way to the problems and disabilities of service.

The current legislative provisions have been criticized for many years because of the 48 per cent cutoff which results in a widow whose spouse was pensioned at that rate receiving $554.78 per month, while a widow whose spouse received pension at the 47 per cent rate would receive no pension unless death was related to service. At the same time, it has always been recognized that in any legislation which has a cutoff point, there will be some persons who will not receive benefits because they miss that cutoff.

Generally speaking, it has been considered that the earning capacity of a disabled pensioner is not as great as it would have been had he not been disabled. On that basis he may not be able to provide for his widow and dependent children after his death as adequately as he otherwise would have been able to.

Mr. Speaker, we are proposing that there be two systems of widow's pensions payable under the Pension Act. In those cases where pensions for the disability have been or should have been paid at the rate of 48 per cent or more, it can be assumed that service played a part in the cause of death, and the present pension system and rates will continue.

In the cases of lesser disabilities where pensions are paid at less than the 48 per cent rate, we are introducing a system whereby the surviving widow will receive one half of the pension paid to her spouse and that will include the additional amount for being married and having dependent children. It will not include other allowances such as attendance allowance and clothing allowance.

As hon. members know, the previous Parliament was dissolved before the former Bill C-28 could be debated. This present bill is the same as Bill C-28 in its treatment of widows' pensions, but as members will hear later it offers a vast improvement in terms of legislation for war veterans allowance recipients. It is intended by this bill to introduce proportionate pensions for widows and dependent children over a period of six and one-half years.

We are proposing that those surviving widows and dependents of pensioners who were pensioned from the 38 per cent to 47 per cent assessment level should receive pension benefits starting on October 1 of this year. On April 1 of each following year, the cutoff point will be systematically lowered until by the end of fiscal 1986-87 all eligible widows and dependent children will receive pension benefits relating to disability levels of 5 per cent or more.

It is estimated that some 15,000 widows and 600 children will become eligible for proportionate pensions on October 1, 1980. By the time the legislation is fully effective, 26,000 widows and 10,000 surviving children will have received these new benefits. Similar provisions are being made with respect to surviving widows and dependent children of former prisoners of war.

Mr. Speaker, I recognize there will be questions as to why we propose to introduce these improvements over a six and one-half year period. Veterans' organizations have a good understanding of the need for such measures. Financial considerations are an integral part of any proposed new legislation. As things stand, the survivors of the more seriously disabled will be helped immediately.

I am proud to say that when this legislation is passed it will overshadow, in terms of generosity, similar legislation anywhere in the world. I believe this is an extremely positive development.

Mr. Speaker, on the golden anniversary of the introduction of war veterans allowance legislation, this Parliament is being asked to reconfirm a commitment made 50 years ago. It was in 1930 that the Parliament of Canada officially recognized that a small segment of the veterans population could not cope with the negative effects of war and needed assistance. At that time

Parliament provided through legislation an income tested maintenance allowance to compensate veterans who, due to these intangible negative effects of war, were considered to be pre-aged and incapable of self-maintenance. It was directed toward those who had served in a theatre of war and who had been disabled during wartime. In a sense, war veterans allowance was regarded as old age assistance, but paid at an earlier age due to the concept of pre-aging.

Joseph Shull, in his book "Veneration for Valour", called war veterans allowance "an annuity, the premiums of which the veteran has paid with his service during war." He said veterans themselves had a more telling description—"the burnt-out pension."

● (1540)

I think both descriptions are apt, Mr. Speaker. Most veterans have no need of these benefits, but there are some who have. Some had their youth and vitality drained in war. The working lives of others may have been shortened by the experience of war. There are others who suffer from disease and other ailments born of wartime hardship.

In any event, wartime experience has caught up with the 94,000 Canadians and widows of veterans who now receive war veterans allowance. About half are under 60 years of age and receive federal income support through our program. The remainder are over 65 and receive federal income support, primarily through the old age security and the guaranteed income supplement programs with a modest "top-up" from war veterans allowance.

This is where a significant disparity occurs. Over the years recipients over 65 have benefited more from the war veterans allowance program than their younger comrades. Basically this has resulted because increases in the guaranteed income supplement have been considered exempt income in the income testing process of war veterans allowance. The recent $35 a month increase in GIS means that the single recipient over 65 is now receiving $70 a month more than those who are under 65. For married couples this disparity has not risen to $85 a month.

One original intent of the act was to provide equal treatment to all veterans. One intent of this amendment is to ensure that this happens again. As I mentioned earlier, Bill C-28 failed to deal with this disparity. Three years ago I set up a task force within my department to review war veterans allowance legislation. These amendments reflect their major findings as far as benefits to clients are concerned.

The most efficient way to erase the disparity I mentioned is to establish a new war veterans' ceiling and, at the same time, assess as income all OAS/GIS payments made to recipients over 65. If our proposals are approved by this House, effective July 1 of this year single recipients under age 65 will start receiving an extra $10 a month, and married couples under 65 will start receiving $12 a month more as the program is phased in over seven years. By doing this and reducing OAS/GIS exemptions by an identical amount each year, we will have eliminated the gap between the two age groups by April, 1986.

The bill also contains an amendment which is designed to ensure that such disparities never occur again and that future GIS increases will be passed on automatically to recipients under the age of 65.

Simply put, those over 65 will receive the same benefits as before while those in the younger category will receive annual increases until full equity is achieved. I should also point out that such increases are additional to the current quarterly cost of living increases provided to all recipient veterans and widows. Naturally, many of those now under 65 will be benefiting from the old age security and guaranteed income supplement program long before the transition period is up. We estimate that allowance recipients now under 65 reach that age at a rate of approximately 4,000 a year. Virtually the same number apply for WVA benefits at ages 55 or 60, so we are finding that the total number of our under 65 clientele remains constant at roughly 50,000.

I would like to point out that a substantial number of WVA recipients will be receiving their first increase in the basic rate since 1973 and they, together with persons coming into the program in later years, will increasingly benefit from this legislation.

Finally, Mr. Speaker, I believe it is appropriate to quote from a speech made by prime minister Borden to Canadian troops before Vimy Ridge in 1917. I do so because this bill is the most important piece of veterans' legislation to be placed before Parliament in many years, and I believe it is only correct that Canadians, particularly the younger ones, are reminded that this is not charity but a right well and nobly earned. Prime minister Borden told those soldiers:

> The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of your people at home . . . and that no man whether he goes back or whether he remains in Flanders will have just cause to reproach the government for having broken faith with the men who won and the men who died.

By approving this bill, we will once again be honouring that duty which has been reaffirmed many times throughout our history.

One final word: This government has kept its promise to OAS pensioners with its $35 a month GIS increase. It is now proposing to help our war veterans and their families who have been disadvantaged as a result of service to this country.

In this modern age, society is often accused of neglecting both the contributions of our forebears in building this great country called Canada and their needs as they age and experience infirmity. It is often stated that the measure of the social conscience of a nation lies in its treatment of its aging and dependent population.

The government's continuing concern for our senior citizens was recognized through the latest GIS increase. We are now proposing that similar recognition and support be provided on behalf of Canadians who served their country with valour during a time of war. This is why, as Minister of Veterans Affairs, I am proud to move second reading of this bill.

Some hon. Members: Hear, hear!

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, the main reason I am speaking to this bill is that my colleague and friend, the hon. member for Winnipeg-Assiniboine (Mr. McKenzie), is not able to be here because of illness. I am sure we all wish him a speedy recovery from an operation that he has had.

I would like to welcome the minister back to the House. I hope he does not find today's exertions too much, and I also hope his health will continue to improve and that he will be with us throughout the life of this Parliament.

First of all, when one looks at this bill, it does puzzle us as to what took it so long to arrive here. This is a bill where many of the features have been in effect for 15, 20 or even 50 years. They were unjust when they were drafted and when the bill was passed and they have remained unjust ever since. Some of them are relatively minor. However, I agree with the minister that the bill has two major issues that it approaches and there are several minor corrections made to cure these almost tedious discriminatory effects that have been occurring over the years. That is the part that I cannot understand. I will speak about the minor points first and get to the major ones later.

The first one I note with pleasure. World War I veterans are no longer discriminated against for war veterans allowance. They were required to spend one year or 365 days overseas during World War I before they became eligible for WVA, if I may use the abbreviation, whereas World War II veterans were only required to spend one day overseas. That situation simply baffled me. Ever since World War II, which is 35 years ago, we have had two classes of veterans, namely the World War II veteran who had to spend only one day overseas, the other being the World War I veteran who had to spend one year overseas. This was a ridiculous requirement which should have been amended 35 years ago.

The second one is a minor amendment that provides fair treatment for orphans. There is another amendment with regard to a widow who loses her pension if she remarries. If she should lose the second husband, she can again draw the pension she received following the death of her first husband. That is a progressive move.

● (1550)

There is another amendment here which I welcome; I had not seen it previously. If a mistake is made by the Department of Veterans Affairs which adversely affects a veteran's pension, it can now be corrected within the department rather than requiring governor in council approval.

There is one glaring omission here; I do not think it is the fault of the minister. It is a difficulty I had hoped he might mention in his speech. Maybe he will do that when called upon to answer questions in the committee stage. I refer to the total absence of any mention in his remarks of the Veterans Land Act. There is mention of it in the bill. It has nothing to do with the part of it that I am worried about, namely, the right of spouses under the Veterans Land Act.

A lot of publicity was given to a case about a year ago concerning a woman who shared a business with her husband. The business had a Veterans Land Act loan put on it which immediately made it the sole property of the veteran. The wife no longer had any right whatsoever. If the marriage breaks up, the wife has no right to the home the two of them share. That case may have received more publicity than most, but it is not an isolated one. This is happening all the time.

There is a great difficulty when trying to change this by phasing in a bill to change the terms of 40,000 mortgages in effect under the VLA. I would appreciate it if the minister could tell us if they are still working on that. They were working on it. I had received assurance that an amendment would be ready this spring, difficult though it was. That is what kept us from putting an amendment into the Veterans Land Act when our Bill C-28 was introduced.

Bill C-28 has become fairly well known due to the fact that it has been mentioned almost every Thursday afternoon since this Parliament began sitting. The Conservative government introduced that bill to rectify the anomalies and inequities that we saw in the veterans' legislation at that time. This is what caused me to make my opening remark as to why it took so long for this bill to be prepared.

The first half of Bill C-40 is almost a reprint of our bill C-28. It has exactly the same effect. That bill was there to act as a pattern, and I believe in some ways it did, although there are more changes than I expected in the new bill. We wonder why it did not come in a bit sooner. Why was it necessary for the Leader of the Opposition (Mr. Clark) to get up in the House of Commons during question period to ask if we could please get this veterans' bill? He asked for that bill sight unseen. Nobody on this side of the House saw Bill C-40 which the minister has just introduced until today.

The Leader of the Opposition offered to free up a day of the House of Commons in order that this bill could be brought in. We guaranteed to put it through all stages today. That was quite an offer to make. When I read a couple of clauses in this bill, I had some second thoughts about the wisdom of offering to pass the bill through all stages without having seen it.

I will get to the two major issues right away. I wish to point out that the history of this bill is that it was brought into the House today because the Leader of the Opposition made an issue of it on Monday. I might quote some of the minister's statements; *Hansard* is full of them. The minister said he was soon going to discuss the matter with cabinet; he was soon going to talk to his colleagues about it. This might be the first bill we have ever dealt with that has never been to cabinet, as far as one can tell from reading the minister's comments over the last few weeks.

There are two main issues here. The first is the 48 per cent rule, the main reason for the bill in the first place. As the minister pointed out in his remarks, over the years if a pensioner was getting a 48 per cent pension, his widow—generally they were widows, but it could work the other way around—would get $550 odd dollars a month for the rest of her life. However, if the pensioner was getting 47 per cent, she did not receive anything. This is so obviously unfair that it has been the subject of debate and questioning in this House as

long as I have been here. Frankly, there seemed to be no progress at all until proposed legislation about a year ago when I asked the staff of DVA to prepare Bill C-28.

At this time I would like to express my gratitude to the staff of the Department of Veterans Affairs. I can tell the minister that he has an excellent staff. They accepted the change in government in a purely professional manner. I only suggested a method of getting around the 48 per cent rule that would base the survivor's pension on the amount of the disability pension. That seemed to free up the log jam which resulted in nothing having been done about the bill before. The staff worked on it with a will. They thought up new ideas on their own. I was very pleased with the bill that came in.

Quite frankly, I think there are some improvements in this bill, but there are a couple of things that I do not think are improvements. Bill C-28 was given first reading in this House on December 6 last year. There was an understanding in the House that it would be passed before Christmas. However, for some reason which absolutely baffles me, the NDP presented a motion to the House which the Liberals found irresistible. It was a chance to defeat the Conservative government. I talked to an NDP member about this today. I was told it was a chance to bring in a motion which the Liberals would vote for. They thought if they brought in one like the Regina manifesto, the Liberals would vote against it. I said: "Don't fool yourself, they would vote for Satan himself in order to get back into the treasury benches".

That bill died on the order paper because of the defeat of the Conservative government on December 13. I find it hard to believe that the hon. member who worked hardest of anyone in this House, the hon. member for Winnipeg North Centre (Mr. Knowles), to get justice for pensioners should have seconded the motion that killed this bill on the order paper. That hon. member seconded the no confidence motion.

Today history is repeating itself. Only a few minutes ago the same gentleman seconded another NDP motion that would have adjourned the House today. The minister came out of hospital to appear here today for the consideration of this bill. I could hardly believe my ears a few minutes ago when I heard the hon. member for Vancouver-Kingsway (Mr. Waddell) move that the House adjourn this afternoon to discuss something else, and was seconded by the hon. member for Winnipeg North Centre.

Mr. Knowles: On a point of order, Mr. Speaker, surely the hon. member realizes that the motion moved by the hon. member for Vancouver-Kingsway (Mr. Waddell) was for a debate on an adjournment motion which, had it been granted, would have taken place at eight o'clock this evening. It would not have interfered with this afternoon's debate.

Mr. McKinnon: I appreciate, as I always do, advice on the rules of procedure that the hon. gentleman provides.

The major issue, as I see it, has to do with the 48 per cent rule. We should look at what it does to widows. Had our bill been passed, payment would have commenced on April 1. With Bill C-40, it is payable October 1. Some 15,000 widows have been without it since April 1 and will remain so until October 1 because the government formed by my party was defeated on an NDP motion.

● (1600)

It must weigh heavily on people with a social conscience that there are 15,000 widows who are not receiving a pension which this House obviously feels they are entitled to. I am sorry the minister appears to have been unable to find the money to pay the widows retroactively. When our estimates were turned in I was informed by a very competent staff that there were sufficient funds in the estimates to pay that bill. It may be the minister has decided to put the money somewhere else. I notice he took quite a bit of credit for putting it into war veterans allowance.

I do not wish to take too much time. There are several complex changes within the war veterans allowance but mainly it can be summed up in this way: Those under age 65 drawing war veterans allowances will receive an extra $10 a month if single and an extra $12 a month if married. This is fine for a start, but there is another part to it. Those over 65 will find that their guaranteed income supplement payment, for the first time in our history, will be considered as income; it will not be considered exempt income, as heretofore. Up until now the guaranteed income supplement has always been considered exempt income in the case of war veterans allowance recipients aged 65 or over. So this is a benefit the aged veterans will lose.

It appears to me that over the course of time this will amount to quite a bit of money and hon. members will find that the bulk of veterans are going through that age now. I have some figures here which show that practically every veteran who is eligible is between the ages of 50 and 65. There are a few over 65 at the present time, some 90,000 but in the age group 55 to 59 we find 264,000 out of a total of some 900,000.

The people who will benefit from this legislation, as can be seen quite quickly, are those in the 55 to 65 age bracket. The minister has told us, suggesting a kind of quid pro quo, that people under 65 will be getting more benefits and people over 65 will get less. To balance it, those who will be aged 65 in a very short space of time will represent the vast majority of veterans and they will get less than would have been the case if they had been left alone with the guaranteed income supplement being considered as exempt income. This is not the impression which the Minister of Veterans Affairs (Mr. MacDonald) gave when he was asked on June 3 by the hon. member for Winnipeg North Centre:

> Madam Speaker, does the statement just made by the Minister of Veterans Affairs (Mr. MacDonald) mean that the $35 increase in the guaranteed income supplement will be treated as exempt income under the War Veterans Allowance Act, so that the recipients of war veterans allowance will not have their allowance cut back by virtue of the $35 increase?

The minister replied:

> That is what I was indicating, Madam Speaker.

We find today there is quite a difference. It is going to be counted as income for those over age 65. This is the way I read

it. This will be cleared up if the minister wishes to provide the answers during the time we are in Committee of the Whole. I suggest that this, like so many Liberal promises, looks good on the surface; you have to get underneath to determine exactly what is going on. There is a cut here and it seems to me we are moving in the direction that veterans will not be given any treatment simply because they are veterans. They will get the old age pension and the guaranteed income supplement and the idea of treating the guaranteed income supplement as part of their income will deprive them of some income. In the long run, the aim is to treat veterans the same as everybody else; they will get this pension in the same way as if they were drawing OAS and GIS.

I do not wish to take more time as I am sure the hon. member for Winnipeg North Centre will wish to carry on. We look forward to reaching committee stage.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Victoria (Mr. McKinnon) I should like to commence my remarks this afternoon by extending a warm welcome to the Minister of Veterans Affairs (Mr. MacDonald). We are pleased he has been able to come back to the House this afternoon for what, in the view of many of us, is an historic occasion.

Because it is that kind of an occasion I am particularly glad also to see in the gallery—I trust Mr. Speaker will not call me to order for noting people in the gallery—the deputy minister, the chairman of the Canadian Pension Commission, the chief pensions advocate and a few other officials of the Department of Veterans Affairs and its associated agencies. I do not see the chairman of the War Veterans Allowance Board—I guess he has been transferred to Charlottetown. But, Mr. Speaker, even if there is lots to do back in the store I believe these persons have the right to be here this afternoon for what I have already referred to as an important occasion in the history of our veterans' legislation.

As both the minister and the hon. member for Victoria pointed out, the bill deals with two main sections of our veterans' legislation, namely, the 48 per cent rule that applies to the widows of disabled veterans and the War Veterans Allowance Act. In both cases something is being done that we have waited for over a very long time.

As the minister indicated, when the Pension Act was first brought in, the provision for a widow's pension applied only if the veteran's disability had been assessed at the rate of 80 per cent. About 50 years ago that was changed to 50 per cent, which in practical terms works out to 48 per cent. But there it has stood for 50 years. During that period of time there have been many efforts to get the legislation changed; I think I need hardly say any more to underline my contention that this is an historic day.

Likewise with respect to the War Veterans Allowances Act, we are taking steps to make the position the same for veterans over 65 as for veterans under 65, and we are also ending the uncertainty about increases in the guaranteed income supplement being passed on to veterans or to veterans' widows.

I shall deal a little later with the remarks made by the member for Victoria; I think he has not read correctly the provisions of the bill which is now before us in that respect. Instead of the government being criticized on this point, I think we should give credit. Up to this point we had to ask, each time there was an increase in the guaranteed income supplement, whether it would be passed on to the veterans receiving war veterans allowance. If the member for Victoria will look at page 29 of the bill, he will find there a clause which provides that from here on the ceiling on the War Veterans Allowance Act will go up automatically when there is an increase in old age security or in the guaranteed income supplement.

If you will pardon another moment of personal indulgence, Mr. Speaker—you reach a point, you know, at which you enjoy history, especially when you can look back and say you were there for some of it—at about noon today I took a moment to go into the library and do a little looking into ancient *Hansards*. I was pretty sure I would find what I was looking for and, sure enough, there it was. I found that it was in the month of May, 1943—that is more than 37 years ago—that I made my first intervention in the House of Commons with respect to veterans affairs. What was it about? It was about the widows of veterans of World War I. So I am hardly entering into a new field when I take part today in a debate dealing with the widows of veterans.

• (1610)

As you know, Mr. Speaker, because of your association with veterans affairs and the veterans affairs committees in the past, and for a while, sir, you were also parliamentary secretary to the minister of veterans affairs, this matter of the 48 per cent rule has been debated time and time again. We had perhaps the definitive recommendation that it be corrected when Mr. Justice Mervyn Woods brought down his report. We had it again in the Hermann report, and on two or three occasions we had recommendations from the Standing Committee on Veterans Affairs that the 48 per cent rule be corrected.

It is good to know that persistence on the part of many people does pay and that we have reached this point today. Like the hon. member for Victoria (Mr. McKinnon), I should like to give some of the credit to those people we are not supposed to notice, those who are in the gallery today. They and their predecessors, a long line of employees in the Department of Veterans Affairs, have done a good job.

Some hon. Members: Hear, hear!

Mr. Knowles: But, sir, we have now reached the point where we are changing the 48 per cent rule, and this is a day to celebrate. Before the afternoon is over, I shall probably have a critical word or two to say about this and I shall have something to say about the things that are not in the bill. The minister may say, "Stanley, I thought you were my friend." Well, I am, and even after I have found fault with some things in the bill and have pointed out some of its shortcomings, I still

welcome the opportunity that the House has today to put it through all stages and see that it is written into law very shortly.

What we like about the bill, as I say, is the ending of that 50-year reign of the 48 per cent rule. What it provided has been that where a veteran was on a disability pension of 48 per cent or more, the widow has been entitled to a full widow's pension under the Pension Act. But if the veteran's disability pension was below 48 per cent, there has been no pension whatsoever for the widow.

I suppose there are some readers of *Hansard* who will wonder how we arrived at the odd figure of 48 per cent. The reason we arrived at it is that the original stipulation was that it be 50 per cent; but then we have another rule which says that all pensions be paid in even figures of 35 per cent, 40 per cent, 45 per cent and 50 per cent. A pension of 47 per cent is paid at 45 and a pension of 48 per cent is paid at 50, and that is how 48 per cent got into the language of this legislation.

To many of us it has seemed grossly unfair that one widow whose husband had been at 50 per cent gets the full widow's pension, whereas a widow next door whose husband had been at 45 per cent does not get it. The minister used to give us a rationale as to why it should stay that way. I am glad for his sake that he does not have to give that defence any more. I am glad for his sake that he can now speak with pride of the fact that he is bringing in this legislation to do this for the widows of veterans.

I think one of the reasons we have reached this point is that with the passage of time the veterans themselves are becoming older and more of them see the prospect of their days coming to an end and their leaving widows. Since most veterans who are on disability pensions are on pensions below the 48 per cent level, they have become much more concerned in the last decade or so than they used to be about this provision. It has moved up just about to the top of the legislative changes for which the Royal Canadian Legion and other veterans organizations have been asking. When we are handing around credits today, I think we should give a good deal of credit to the various veterans' organizations who have pressed for these provisions.

What is happening is that a 50-year regime is being corrected and from here on pensions will be paid to widows of veterans where the veteran's disability pension was below 48 per cent, but of course not below 5 per cent. We still have a cutoff at the 5 per cent figure.

I might as well come right away to the feature in this bill which I do not like. I was not surprised that the hon. member for Victoria did not point it out because it is the same provision which was in his bill of last December 6, Bill C-28. That is the provision under which this glorious new regime will be staged in over a period of six and a half years.

As the minister said in his speech, if this bill becomes law, come October 1 about 15,000 widows will qualify for pensions under it. But it is going to take another six and a half years for the other 11,000 widows to qualify because, in effect, the threshold point is being brought down this fall from 48 per cent to 38 per cent; but then you have to wait until next spring for it to be brought down a little bit further, and so on down the line, and it will take until April 1, 1987, before all the widows of veterans whose pensions were below 48 per cent will get the benefit of this legislation.

I hope the hon. member for Victoria will not mind—he said some things about me, so I will say something nice about him—if I say that when he brought in his bill last December, he said to me that he was sorry about that provision and that he dared to hope it would not take long before it could be changed. I say the same thing now to my friend, the minister across the way. I know that he is a fighter for veterans in the cabinet. He has to fight all the time. I am sure he did not accept this without a struggle, and I hope he will carry on that struggle.

This House has been used to my asking questions about veterans affairs at least every week, and I suppose that many members think that when this bill is passed, there will be no more questions. Oh, oh, let us see! The next chance I will get, I guess, will be on Thursday to ask the minister when he will bring in an amendment to cut out this six and a half year stage. I am glad to see him nodding his head, and I think he is really on my side. To ask those widows who, according to the terms of the bill are being declared to be eligible, to wait in some cases six months, a year and a half, two and a half years or six and a half years, should not be done. This Parliament cannot do that without bowing its head in shame.

Some hon. Members: Hear, hear!

Mr. Knowles: I can tell the minister that I have already drafted an amendment which I shall move when we get to Committee of the Whole, which will read as follows:

That Bill C-40 be amended on page 11 by deleting therefrom lines 14 to 31 inclusive.

An hon. Member: It is out of order.

Mr. Knowles: It is not out of order, do not tell me that. In the House of Commons we might not be able to move certain things, but we can vote against things, and we have the right to vote against those lines being included. If we strike out those lines, then a previous provision in the bill would bring it all into effect on October 1 of this year.

Some hon. Members: Hear, hear!

Mr. Knowles: Like the hon. member for Victoria, I regret that it has not been made retroactive to April 1, the same date he had in Bill C-28; but if we cannot get that, at least this right that we are now establishing after 50 years should not be held off for a six and a half year period, or for one and a half, two and a half or three and a half years, as the case may be. As I say, I know how things happen around here. I know that if we were to deny this bill because we do not like something in it, we would be irresponsible. This is what the cabinet has

come up with and we must get it this afternoon. But surely this provision is so unfair that the Committee of the Whole will want to support my amendment to bring it into effect for all widows no later than October 1 of this year. As one who has been concerned about a better deal for widows of veterans for a long time, a concern I know I am sharing with many people within the sound of my voice, I welcome this historic day.

● (1620)

Now I turn to the question of the War Veterans Allowance Act.

Here again I think this is an historic day. The minister referred to this being its golden anniversary, but I would like to put it in its proper context. The War Veterans Allowance Act was brought in 50 years ago at a time when the old age pension act, the one which was passed in 1926 and came into effect in 1927, was in effect.

Mr. Parent: Were you here then?

Mr. Knowles: No, but I knew about it; I was aware of it at the time. That pension was $20 a month at age 70 with a means test. I will not tell the whole story of the fight that we had to get that improved, but I can tell the House what it was like. The War Veterans Allowance Act was drafted in that context. It too was a means test pension, and the gist or the heart of it was that it was to be something which would provide for veterans who could not prove disabilities under the Pension Act something a little better than was available to the civilian population. So the amount was a little more than $20 a month, and it was available slightly under the age of the old age pension. I think it was age 60 right at the start and the means test was a little less severe.

But for the civilian population we have moved on and greatly increased the amount. We removed the means test completely from the basic amount of that pension and we have lowered the eligible age from 70 down to 65. Yet for the war veterans allowance its essentials are still much as they were in 1930. It is a means test pension. I know that some like to call it "income tested", but when what one gets is cut short because of something else one has, it does not matter what it is called, it is tough to take.

I think it is hard to argue today whether the war veterans allowance or the burnt-out pension is something better for veterans who cannot prove their disabilities than is the case for the civilian population, which was the *raison d'être* of the War Veterans Allowance Act. I am not just using this phrase because it came out of the convention in Winnipeg last weekend, but we should be moving in the direction of a guaranteed annual income. I know of no better place to start with that concept than with our veterans.

Some hon. Members: Hear, hear!

Mr. Knowles: I think that is what should be taking the place of the War Veterans Allowance Act, or that that is what should be coming out of this in-depth review which the minister said has been going on in his deparment for the last two or three years.

That is my general comment about the War Veterans Allowance Act. I do not suppose anyone has criticized it, particularly its means test provisions, over the years more than I. But at the same time I admit it has been a welcome piece of legislation. The burnt-out pension, which it is popularly called—and many veterans who receive it just call it their pension—means a great deal to them. It has solved many a family situation. Also it is good that the day came when we provided a widow's allowance under the War Veterans Allowance Act as a matter of legislation.

A moment ago I referred to the questions on behalf of the widows of World War I which I asked of the late Right Hon. Ian Mackenzie back in the early 1940s. Actually the questions I put then were when we were going to make these grants being given to such widows a matter of statute instead of being at the grace of the government with a supplementary estimate every year. It is one of the things we won rather early, to put widows under the War Veterans Allowance Act. It has been good legislation, but it was good compared to what was available to the civilian population when it was brought in. In view of what we have done for the civilian population now, we should be doing better. Again I say to the Minister of Veterans Affairs and to all those people in the gallery whose presence I have already noted and welcomed, get to work on a guaranteed annual income for our veterans.

With respect to the changes in this bill dealing with the war veterans allowance, I am afraid at this point I must differ with the hon. member for Victoria. He found it to be something of which he was critical. I think it is good. What the bill is proposing is that payments be made to veterans in receipt of the allowance who are under age 65 at so much a month and it goes up a little bit every year. There again, why stage it? Some of these veterans will not live long enough to get the full amount, so why stage it?

I was going to tell the minister to talk to his colleague sitting beside him, but he is leaving the chamber. His colleague knows how to get billions of dollars out of that cabinet. The Minister of Veterans Affairs needs to get only a few million. I say that veterans are entitled to the increase they will get under the War Veterans Allowance Act immediately instead of its being staged in. But I say to the hon. member for Victoria that when it is staged in in full, the veterans below age 65 will be getting the same amount as those above age 65.

I congratulate the hon. member for Victoria on being critical and suspicious about these people over there. He thought he saw a loss to the veterans because, while the under 65 were getting this increase, the over 65 were to have their GIS counted as income for the purpose of the War Veterans Allowance Act instead of its being exempt income. But what he must note is that this bill raises the ceiling on the income that such war veterans allowance recipients can have, so that they will keep in full the extra $35 they are now getting.

Then the bill goes a further step which I welcome most warmly. Under section 19.5 on page 29 of the bill, it is

provided that the income factors, that is the ceiling on the income of war veterans allowance recipients, shall be increased simultaneously with, and by the same amount as, any increase in the amount of each of the old age security pension and the guaranteed income supplement provided from time to time by amendments to the Old Age Security Act, other than adjustments made under that act in relation to the consumer price index. I do not mind that latter exception because they get it under an escalation clause in the War Veterans Allowance Act. But this indicates that we will not have to stand up any more when there is an increase in the GIS and say, "Will war veterans allowance recipients get it?" It is in the act; it is automatic that the ceiling goes up. It is in two parts. First the ceiling goes up now so that they can keep the $35 they are now receiving, and later on any increases in the GIS will result in an automatic increase in the ceiling under the War Veterans Allowance Act. When my hon. friend reads it, and if he agrees with my interpretation of it, I think he will see that it is something good and something we warmly welcome.

Pardon my repetition, but I am still thinking that this is a pretty important day in the history of veterans legislation, doing as we are something about that old 48 per cent rule. We are now doing something to improve greatly the provisions of the War Veterans Allowance Act, in particular by putting those under age 65 in the same position as those over age 65. I can think of a number of correspondents to whom I shall send copies of this day's *Hansard* with great pleasure. They were not sure the bill would contain this, but I congratulate the minister for having put it in.

● (1630)

A speech from this corner of the House on a piece of legislation would not be complete without some reference to those things which are not in the bill. I deeply regret there is nothing in it about the way in which the amount of the 100 per cent disability pension is determined.

Just as the minister has solved the problem about the GIS by making it automatic so we do not have to ask for it every year, why did he not include in this bill a provision that the amount of the 100 per cent disability pension would stay at the level of the average take-home pay of the five designated categories in the public service? We decided a few years ago that was to be the rule or the idea. Then, having put the pension at that average in that particular year, we left its escalation to the consumer price index. In a few years it slipped behind and we had to do that again. Now it has slipped behind again. Why not make this just as automatic as the minister has now made the increase in the GIS being passed on to the veterans?

As I say, there is some question about the level of the amount. One can always ask for more. However, the point we have arrived at is not bad, considering what it was back before the days of the Woods report. This is an omission that is unfortunate and I earnestly wish it had been included.

I wish also that the legislation had included an increase in the pension rates payable to former prisoners of war. Again my friend can talk to his colleague sitting next to him; he can tell him a few things. It took a long while to get compensation for former prisoners of war. First we got it for those who were prisoners in Hong Kong, and we greatly improved that schedule so that most Hong Kong veterans are now covered between the basic 50 per cent they get and the disability rates they have received as well. I think the average Hong Kong veteran is now up to 80 per cent or 85 per cent, and quite a few of them are at 100 per cent.

It took longer still to get recognition for those who were prisoners of war in northwest Europe. We obtained that eventually. It took two bites again to get compensation for World War II prisoners of war, and then to get it for World War I prisoners of war. It is still a fact that those rates are pretty low considering the fact that the widow's pension again is determined by the veteran's rate of disability pension, or the combination of the disability pension and the prisoner of war compensation.

We used to say they needed that extra just to get up to the 48 per cent, but now, even though it will not be necessary to get up to the 48 per cent to guarantee a widow's pension, the amount of the widow's pension will still be determined by the level of the pension the veteran was drawing. Just because we have corrected the 48 per cent rule does not mean we are going to give all widows in that category the same pension widows in the upper categories get. It does affect not only the veterans themselves who were prisoners of war, it affects their widows, and I hope something may yet be done.

I do have the odd note here on my desk and I see I had as the other point I wanted to make one that I have actually dealt with already when dealing with the War Veterans Allowance Act; that is the desirability and the need to move into the concept of a guaranteed annual income for veterans.

The Minister of National Health and Welfare (Miss Bégin) wants to get this going while she is still a Liberal cabinet minister. She will have trouble with some of her other colleagues in getting the money for it on a grand scale. The Minister of Veterans Affairs might get some ideas from her.

Those are the three main things not in the bill which I wish were there; the settling of the five-category provision making it automatic, improving the position of prisoners of war, and getting started with a guaranteed annual income for those who are in receipt of war veterans allowance.

Having said that about the deficiencies of the bill, I return to what I said at the start. This is an historic day. Although I deeply regret the revision under the 48 per cent rule is going to take six and a half years to phase in, I welcome the fact that we are making this change and the fact that we are improving the position under the War Veterans Allowance Act. I am glad the minister was able to come back from the hospital and be with us today for this important and historic piece of legislation.

Some hon. Members: Hear, hear!

Hon. Bud Cullen (Sarnia): Mr. Speaker, it is always a pleasure to participate in a debate on a measure involving veterans, and particularly to follow the three members who have had so much to do with helping veterans in Canada. I refer to the Minister of Veterans Affairs (Mr. MacDonald), the former minister, and the hon. member for Winnipeg North Centre (Mr. Knowles), who has served long and conscientiously on the veterans affairs committee. We were able some time ago to make a series of recommendations with regard to helping veterans who were war prisoners and those who made it back without having to suffer ignominy.

I want to say I was very pleased this government saw fit not to do what was being suggested by all too many people, namely, the burying of the Department of Veterans Affairs in some other department. I am pleased and proud this government and our Prime Minister (Mr. Trudeau) saw fit once again to bring back the Department of Veterans Affairs, dedicated solely to the welfare of veterans. Although this was put together under the former government, and under the hon. member who spoke previously, the hon. member for Victoria (Mr. McKinnon), I am satisfied that had that government been in power a little longer the department would in fact have been divided and there would in effect have been a minister of veterans affairs to look after that particular interest. Heaven knows, as the former minister of national defence he had plenty to do in that portfolio.

I was pleased to hear the former minister commend the staff of the Department of Veterans Affairs, because that is a group of professionals who bring to their jobs a kind of missionary zeal in respect of the necessity to do something. It is too easy to forget these veterans. At age 53 I was not old enough to serve during the Second World War and I feel I have no vested interest in the pensions paid to veterans. However, I feel that I certainly have a responsibility to those who made it possible for me to complete my education, go on to law school and eventually become a member of Parliament. Had they not performed that service, giving of their time, their effort and often their lives, with many of them being wounded during the war, it would not have been possible for people like myself, growing up as the generation immediately following them, to have enjoyed the great life we have enjoyed, and the opportunity to recognize this responsibility. I guess as a teenager growing up during the Second World War it is fair to say our heroes were those who served in the services. We had our athletic heroes, sure, but the ones we really looked up to, and continue to look up to, are those who gave of their time and a good part of their lives in the service of this country.

I want to commend the minister and the former government, for that matter, for making the 48 per cent rule as dead as a dodo; that was an unfair rule. If I may say so, citing a personal experience, my father who served in both world wars, in the Royal Naval Air Service in the First World War and as a squadron leader in the Second World War, suffering primarily as a result of his service in the First World War, was a 48 per cent disability pensioner for something like ten years.

• (1640)

About one year before his death, because his health, believe it or not, improved in so far as his pensionable disability was concerned, he was dropped to 40 per cent and my mother was not entitled to receive a widow's pension. Fortunately, we have changed the legislation so that if that individual, who is now on 48 per cent disability for something like three years, eventually gets better he can in effect plan his estate knowing that his widow will in fact receive a pension. To that extent I was very pleased to see the changes which got rid of that antiquated 48 per cent rule.

I want to pay tribute to the evaders and former prisoners of war who today continue to act on behalf of their colleagues to do what is possible to see to it that POWs get the kind of pensions and assistance which they require. The hon. member for Winnipeg North Centre has already commented upon the fact that we helped the Hong Kong veterans first, because theirs was a textbook case and one that required immediate attention. Gradually, stage by stage, clause by clause, session by session, Parliament by Parliament, we improved the pensions to these particular individuals who served and suffered as prisoners of war or evaders and were able to help people in that particular category. I believe that the present premier of Prince Edward Island is one who evaded escape as the result of being shot down during the Second World War. These people, not being content to act only on behalf of their colleagues and themselves—of course, they have a vested interest since they were POWs—did everything they could to bring to the attention of young people the sacrifices made by veterans during the Second World War.

Mr. John Miller wrote a book about the veterans of Dieppe called "The Forgotten Heroes". Those who have done any research on the matter at all will recall a book entitled "The Shame and the Glory". Books such as these highlight what was faced by these young men. There is a tendency today, and I particularly find it around the schools, to think of veterans as they look today, not as the young men of 18 years, 22 years and 23 years who served during the Second World War. We have an obligation and a responsibility through providing these books and talking to young people to point out to them the sacrifices which were made.

The legislation which we have before us today is first-class. Like the hon. member for Winnipeg North Centre I, too, have one little gripe. It is not so much with the legislation; it is a problem on which I have been harping for as long as I have been here as a member of Parliament. I refer to the fact that we must continually be pressing the Canadian Pension Commission, the War Veterans Allowance Board and pension advocates. We must do everything we can to expedite applications for pensions. It still takes too long to process these matters.

We tried to expedite these matters when we brought in the legislation with regard to the "benefit-of-the-doubt" rule because it was slowing up some of the applications. We brought in a veterans review board so that there would be a body independent of the Department of Veterans Affairs

which could look at these particular applications and ensure that no veterans would be shut out.

It seems to me that there is still room for improvement. Some of the pensioners who have applied to increase their pensions find that it takes months to obtain a decision. I must candidly confess that sometimes it takes much longer than months. The veteran is the kind of individual who can face up to reality. He does not mind being told that his application has not been allowed. So would it not be better to tell him that after two or three months, rather than to keep him waiting for some time up to a year before a decision is made?

I would like to add one more thing to which I was privy, and I do not think that I will be violating cabinet secrecy. The hon. member for Winnipeg North Centre commented on how hard the Minister of Veterans Affairs fights in cabinet. It was my privilege to be a colleague of the minister for some four years, and I can say that he is a tiger in cabinet on behalf of the veterans. I can also tell hon. members that he has many allies in that particular cabinet or this legislation would not have been brought forward.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I am very pleased to be able to rise in this House today to speak on this veterans' legislation. It is legislation which in some small measure will improve the benefits paid to those who have truly served their country, and to the dependants of such veterans. To my mind this bill cannot be passed too quickly.

This bill is not offering the war veterans of Canada any special consideration because of the hardships and debilities suffered on account of their actions in whatever the theatre of action. It is offering simply an opportunity to remove certain inequities and disparities which have existed for far too long. The purpose of this bill is to redress the injustices which certain war veterans and their dependants have suffered through years past.

In other words, this bill is the very minimum which this government can pass. For this reason it is inconceivable that the bill should not pass today. The bill was long overdue when it was tabled by the Conservative government last November. Times and circumstances being what they are, there is no less urgency now.

I would like to congratulate the Leader of the Opposition (Mr. Clark) for his initiative and the members on the government side for their co-operation which has made it possible to introduce this bill today.

When the Conservative government introduced the bill last year—or a bill fairly close to what we have before us today—it was recognized that it was the minimum which any government could offer. We knew that it did not begin to go far enough in terms of supporting men and women and their dependants, but that it was a start.

By virtue of the actions of these men and women, it was long past due. It was our intention last year to put through the bill quickly as a first concrete step in improving the lot of veterans. Likewise, it is my sincere hope today that the government will consider passing this bill only as a first step in an area where further improvement must be made.

The minister in introducing the bill emphasized that these are economy-conscious times and that this government is committed to fiscal responsibility and prudent management of taxpayers' money. I say hurrah to that, but it rings a little shallow, for almost every day in this House we talk about cost overruns, a booming deficit and unchecked spending. I ask the government not to practise fiscal restraint against the veteran or his family. These people have been neglected, I feel, because government has found it too easy to put their cause in a lower priority risk area.

We have all attended Remembrance Day gatherings and have been sombred by the thought of those who lost their lives. But those who came back broken and fractured have become somewhat of a forgotten group and are well down on that list of government priorities. I was happy to hear the words used today—that there is the possibility of further additional consideration being given to the relief of dependants of war veterans and war veterans themselves.

The bill will ensure that widows of disabled veterans are treated equally before the government. It does not ensure, however, as everyone in this House knows, that there will be a decent standard of living for the woman who has never worked outside the home, as is so often the case today, and is not yet eligible for old age security.

The bill will at last remedy one of the great inequities which has already been mentioned a number of times today, an inequity which lasted far too long, the 48 per cent cutoff. It was assumed that where a veteran was in receipt of a 48 per cent pension or more, his death was in some way related to his disability occasioned by serving in the interest of his country. But it was also assumed that the death of a veteran receiving a pension of something less than 48 per cent was not related to service, and as a consequence his widow received no assistance. How ridiculous, and slow we were to act!

As it is, it will be six and a half years before that change in legislation reaches all of the 80 per cent of the veterans and dependants who were assessed at lower than 48 per cent. Let us hope that many of them will live long enough that they will see the day when they too will receive the benefit of this golden anniversary year legislation.

● (1650)

I am pleased, however, to see that most of those items relating to the veteran's widow, formulated last year by the Conservative government, are carried forward in this bill. A remarried widow will now be allowed to apply for a widow's pension after the dissolution of her subsequent marriage. The continuance of a dependent parent's pension will now be left to the discretion of the commission rather than being automatically stopped as it has heretofore. It will now be possible for someone who maintains the household and looks after dependent children, after both the veteran and his wife have died, to receive that veteran's pension.

These measures are long overdue and will affect a relatively small number of people but will make an enormous difference to those who should have been assisted before.

The actual disability pension for veterans, even at 100 per cent, is a pitifully small amount, an amount no one in this House would dream of living or subsisting on. The Minister of Veterans Affairs (Mr. MacDonald) announced an increase in the basic rate of pension for disabled veterans in May of this year, an increase for which the Conservative party had fought long and hard. We did everything we could in committee to have an amending formula included which would have kept this basic pension adjusted to increases in the pay scales of the five selected categories of public service workers, but to no avail.

I am disappointed that no mention has been made of this in the new bill. Personally, I can see very little advantage these days in a meagre one-shot increase with no built-in protection against inflation. Inflation is a fact of life today and any fixed income simply has to be indexed in some way if a person receiving it is to survive. We may honour the dead, but it seems to me we are treating the veteran rather shabbily.

I should like to interject here that while pensions and pension legislation is one thing, the processing of pension applications is another. This government and the Minister of Veterans Affairs initiated a move of the pension commission as well as the department to Prince Edward Island. A strong commitment was given at that time to the effect that the veteran would not suffer or be hurt by the move. The *Legion* magazine, in its May, 1980, issue, documents a longer processing time with a reduced number of applications. This is a situation that the department should not allow to continue. The application would not have been made if the need was not there. That need continues month by month as people wait for the processing of those applications.

Speaking further to disability pensions, I believe, as has already been established, that there are special circumstances for the Hong Kong prisoners of war. At the first meeting of the Standing Committee on Veterans Affairs, the minister indicated that, as far as the government was concerned, a prisoner of war was a prisoner of war, that the government would not differentiate, and it has not in this bill.

I believe that the treatment undergone by the Dieppe prisoners of war was so dreadful and so extended as to make them a separate class of prisoner of war. No one who has any idea of what those prisoners went through and how, as a result of that experience, their lives have been affected since, could fail to agree that the present 20 per cent pension is sufficient compensation. It is well documented that the mortality rate among Dieppe prisoners of war is substantially higher than the death rate of other POW groups. There are more Dieppe prisoners of war on pension and those pensioners receive on average a higher pension than others simply because their disabilities are greater. It is well documented too that, as a group, Dieppe prisoners of war suffer a more accelerated general deterioration in health and premature aging than do other prisoners of war. Veterans' organizations across the country are prepared to recognize this fact.

A large number of these Dieppe prisoners, most of whom are now in their mid-fifties, are partially or completely out of the labour market by reason of health or nervous conditions, heart and lung diseases or other disability causing premature death in this group, not to mention the whole range of physical and psychological disadvantages stemming from their four years of maltreatment, degradation and deprivation. The government should be giving these Dieppe prisoners of war compensation of at least 50 per cent, and this bill should be amended accordingly before long. If we do not honour the living, let us at least make their probably shortened lives somewhat easier and more enjoyable.

"Giving" is a misleading word to use. The government is not "giving" pensions to former prisoners of war and other veterans; this money has been earned by those who fought in two world wars. I recognize the words used by a colleague just a moment ago, who said they have given the people of this country the opportunity to enjoy today the privileges and freedoms that are so dear to us. Let us recognize the fact in this House that these people have a right to enjoy a respectable lifestyle. It is the duty of the government to protect and ensure this right. All Canadians owe these pensions to them. It is not a matter of giving—it is a matter of owing to those who fought for our country and who have well and truly earned our respect and recognition.

Some hon. Members: Hear, hear!

Mr. MacDonald: Mr. Speaker, I should like to say a few words chiefly in reply to the hon. member for Victoria (Mr. McKinnon), who spoke about those over age 65 and about pension increases. I can assure him that they will lose nothing.

The hon. member had another question about the wives of VLA recipients. I am glad to be able to tell the House that this legislation will be forthcoming before too long. We have had a problem dealing with it and getting it in a shape satisfactory to all concerned. I expect to bring it forward before the House recesses, however, depending, of course, on when that is.

I should like to make a correction to my speech, if I may, Mr. Speaker. Apparently there was an error in the text I was reading from. I said that on October 1, 1980, 15,000 widows and 600 children will become eligible under the Pension Act. I should have said 1,500 widows. I wanted to mention that so that it can be corrected in *Hansard*.

Mr. Knowles: That is too bad. I wish your error had been correct!

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Francis in the chair.

• (1700)

The Chairman: Shall clause 2 carry?

On clause 2—

Mr. McKinnon: Mr. Chairman, I wish to speak for just a couple of moments on this clause. With respect to the remarks which the minister has just made, I want to say that I wish he had made the correction earlier; it would have saved me from doing a lot of mathematics concerning the 15,000 figure rather than 1,500. I also share the feelings of the hon. member for Winnipeg North Centre about this. As there are so few involved, it might be possible to treat them a little better.

Second, I would like to speak about the war veterans allowance. I welcome the minister's comments about that. I accept his word, of course, that people over 65 will not suffer, which is referred to in *Hansard*. With due respect, I would like to point out that it was his speech which confused me, not the bill. I can honestly say that I got a copy of this bill after ten o'clock this morning. I know it is very difficult with the short time they gave us, and I imagine there was a great deal of racing around done in the department. Nevertheless, that is when I got my copy and I used the minister's speech more than I did the bill when I spoke.

However, at page 11 of the minister's speech it does say "a new war veterans' ceiling and at the same time assess as income all OAS and GIS payments made to recipients over 65". That left me with the impression that, if you are to assess that as income, then it will have a detrimental effect on them.

On page 12 of the minister's speech it also says "by doing this and reducing OAS and GIS exemptions by an identical amount each year we will have eliminated the gap".

That is about all I wanted to comment on. I am pleased with the remarks that have been made about the bill and the preceding bill, namely C-28. I believe that my colleague, the hon. member for Winnipeg North Centre, has some more detailed questions.

Mr. Knowles: Mr. Chairman, as I said by way of an interjection, I regretted that the minister had to make a correction to his speech and tell us that only 1,500 widows would get the benefit of this legislation on October 1 instead of 15,000. To me that makes it all the more urgent that the main-flow in this bill be corrected.

I realize there has not been very much time since the speeches made on second reading were delivered. However, I wonder if the minister has had a chance to reconsider whether, when we get to class 14 on page 11, he will agree to my proposed amendment to strike out that part of the clause which has a delaying effect.

The other question I would like to put to the minister is, in effect, the same one which has just been commented on by the hon. member for Victoria. Is it crystal clear with respect to the War Veterans Allowance Act changes that the ceiling on permissible income is being raised so that no WVA recipient will lose any portion of the OAS and GIS that he is now receiving, in particular so that he will not lose the $35. Is my interpretation correct that the changes in the War Veterans Allowance Act mean that from here on automatically any increases in old age security and the guaranteed income supplement will result in that same increase in the ceiling on permissible income?

So I have two questions to put to the minister: one about making the changes in the 48 per cent rule effective across the board on October 1; and the other, the assurance about the provision in the War Veterans Allowance Act.

Mr. Dupras: Mr. Chairman, I too want to express my satisfaction and pleasure in welcoming the minister back in the House. I know he was hospitalized and that it was only yesterday when he was released from the hospital. I also know how intent he was on bringing this legislation forward before the House adjourned this summer.

[*Translation*]

That is why, Mr. Chairman, I congratulate myself on being a member of a government and Parliament who offer to my former fellow members of the Canadian armed forces the most generous, the most adequate benefits in the world. As those benefits are being paid to those who have been called the most courageous in the world, the best troops a country could have to protect it, I think it is only fair for the Canadian government to choose to increase benefits that have remained the same since 1973, so that our veterans, those who fought for the allies, those who fought the war of 1939-45 and earlier wars, can enjoy the most generous pensions in the world. I am very happy with this new bill, Mr. Chairman, and trust it will be passed without further delay.

[*English*]

Mr. Towers: Mr. Chairman, there are two points that I would like to bring to the minister's attention. I also take this opportunity to bring them to the attention of the officials who are in the gallery today.

One particular area to which I think the department and the officials should give consideration concerns the grey area in the granting of pensions. There is some doubt as to whether or not the pension should be either granted or increased. Certainly as a representative of those people, I would be most pleased if the department officials on the pension board or the pension commission would relent just a little and make it easier for the pensioner to get the benefit that probably—more than likely—is his just due. It is this grey area where I think the benefits should go to the individual. I believe it is something that probably would not cost the government that much and it would certainly satisfy a great number of the pensioners involved.

Second, I do not think it is fair for the spouse's income to be associated in any way with whatever should be accruing and could be accruing to the pensioner himself. I know that in some cases the pensioner would have funds available to him if it were not for the wife's income. This is something which is worthy of consideration, and perhaps the minister might have some comment on that.

Mr. Benjamin: Mr. Chairman, I did not get up on second reading so that we could get the bill through quickly. However, I would like to make a brief submission to the minister now and ask him what he is prepared to do on the matter.

First, I would like to add my agreement and support for what is being done today and say that I support the remarks made by my colleague, the hon. member for Winnipeg North Centre.

There is still a very small group of veterans in Canada who are totally left out, either by recognition, rights or entitlement to benefits under our veterans' legislation. This small group who have an association were in Ottawa a few weeks ago, and at that time I believe they met with the minister and with members of the Liberal caucus, the Conservative caucus and our caucus. The people about whom I am speaking, if the minister will hear my representation, are probably at most the 200 surviving veterans of the Spanish civil war who were members of the Mackenzie-Papineau battalion who were the first to fight against the Fascists. They were made outlaws in their own country because they violated the Foreign Enlistment Act. They journeyed to Europe by many various and devious ways, to England, through France and into northern Spain. They are in their own right and by all definitions of the word heroes. Many were decorated by the republican government of Spain at that time. Many were wounded, captured, tortured and died in the fight against fascism.

• (1710)

Had the rest of the western democracies listened to them, we may have headed off Hitler sooner than we finally did. They were vilified by some in their own countries, and certainly ignored and deserted by their country. All they asked for when they met with parliamentarians a few weeks ago was recognition as veterans. They were not asking for benefits or anything else, just recognition that they no longer be considered outlaws in our own country.

I hope the minister will take this to his cabinet colleagues so that they do in fact receive recognition as veterans, and more. Upon receiving that recognition, they should automatically get the right to receive veterans' benefits, whether it be disability pensions—and any medical practitioner could assure the minister as to whether their disability is attributable to war wounds—or war veterans allowance. I doubt if very many would even ask for those benefits. We could undo the wrong of all these years if we made the gesture of recognizing these gentlemen as veterans. I do not know if it is still on the statutes, but if it is we could possibly repeal the Foreign Enlistment Act. That may be sufficient.

As a result of the minister's meetings with them, is he agreeable to trying to provide that recognition for at most, I suspect, 200? They only know of 125 but there may be a few more scattered around Canada who have not come forward and made themselves known. Is the minister giving consideration to that? Will he take whatever action is necessary, either by regulation, legislation or whatever else is required, to include as veterans members of the Mackenzie-Papineau battalion of the Spanish civil war, with all the rights and entitlements thereto?

Mr. Bosley: Mr. Chairman, I am a little confused about the procedure. I thought we were going to get answers as we went along. If we could, I would like that, because I am somewhat confused about a couple of matters that, if we were going to Standing committee, would be raised there. I need to know, and I am not sure how to find out since we just saw the bill today, what is counted as exempt income in calculating the WVA now? Is it just the GIS, or the OAS and GIS?

Mr. MacDonald: Mr. Chairman, in what is commonly referred to as OAS and GIS and war veterans allowance, there is a rate that is determined. As far as receiving benefits, in some cases they vary. The recipient of war veterans allowance today probably receives more than ever before in the history of Canada. Let us use a figure of $6,000, which is not the actual figure; I do not have it here today. If their income is over that, they do not receive WVA. Does that answer the hon. member's question? It does not.

Mr. Bosley: Mr. Chairman, the minister indicated in his speech and the documents indicate that the discrepancy today between, for example, a single individual under 65 in receipt of the WVA is receiving something in the order of $70 a month less than somebody who is over 65, and the reason for that is the effect of the exemption for the income that is referred to in the speech as GIS. What is indicated is an intent to change the deduction or to change the exemption category to reduce the level of OAS and GIS income which will count as exempt income.

If I can put the question again, what now counts as exempt income in calculating the WVA, GIS or OAS and GIS?

Mr. MacDonald: As I understand what the questioner is referring to, $2.88 is old age security and the balance is GIS. He is also in receipt of WVA. I might tell the hon. member that many times, unless he has the full details, WVA, OAS and GIS is very confusing. If the answer is not satisfactory, please feel free to put it forward again and we will see if we can get an answer.

Mr. Bosley: What I am trying to find out, Mr. Chairman, is where the $70 discrepancy comes from. Can the minister give me some figures which show me how the $70 difference is composed? Is it composed entirely of GIS? It is composed of GIS and OAS? Is it composed of some other exempt income? I understood it to be, and I was really trying to clarify it, OAS and GIS. My problem then became, since OAS and GIS is higher than $70 if you are in receipt of GIS, where does the $70 figure come from that is the basis of the attempt to equalize the payments of which we all approve?

Mr. MacDonald: Mr. Chairman, I have to confess that I find the hon. member's question a little confusing. When the hon. member is talking of pensions, could he determine for me whether he is talking of the under 65 or over 65?

Mr. Bosley: Both, Mr. Chairman. The minister indicates in his speech that the difference we are trying to resolve is an income difference, a maximum income award to those who have no other income and that a pensioner in receipt of OAS and GIS, and who then gets a WVA over that, is about $70 a month more than somebody who is under 65 who therefore is not in receipt of OAS and GIS.

My problem is this, and maybe I can explain it this way. When you become 65 and start to receive OAS and GIS, you clearly receive more than $70 a month OAS and GIS. What I am trying to find out is how does the difference only get down to $70? I presume the answer is that OAS is counted now when you are establishing the eligible WVA with somebody who is over 65 in receipt of OAS.

Mr. MacDonald: Yes, the hon. member is right, it is counted. The $70 he is referring to is really something of a slipback to the fellow below 65. The hon. member has really answered his own question. This is no longer going to be a problem. We have erased this today in our legislation. The fellow of 65 on OAS and other supplements receives a greater amount of money than his colleague or comrade under 65. With the legislation we will put through today, we will be erasing that. It will be on a comparative basis. I hope that answers the hon. member's question.

Mr. Bosley: I would like to ask the minister one last question. At some point in his speech he said, and I made a note, that he is talking about changing the regulations. Is he proposing to change the regulations to change the categories that are now exempt income? He said in his speech that he would be changing the category, that he would be changing the exemption with regard to OAS-GIS income.

I need to be clear on this because I have a large number of veterans in Sunnybrook in my riding. In practice, I understand that to mean the only change in the regulations will not be OAS, because it is already not exempt; the only change in the regulations would be to take GIS income, which has up until now been exempt, and to make it no longer exempt. That will be the only change in the regulations. Is that correct?

• (1720)

Mr. MacDonald: Plus $2.88 OAS.

Mr. Knowles: I wonder if I could be helpful on that one point. I imagine that where the hon. member is confused is that he is thinking that maybe all of OAS or all of GIS has been exempt income. That has never been the case. The exempt income, which is now $70, is an accumulation of several of these things which have gone through as increases either in OAS or GIS and which now add up to $70. As the minister has just said, two dollars and some cents of OAS is exempt income, and this means that $60 odd of GIS is now exempt income. These are being removed and the ceiling on the permissible income is being raised, so that in the end there will be no change in the net amount which veterans over 65 receive.

Mr. Towers: I wonder, Mr. Chairman, whether the minister would comment on the point I made earlier, that is to say, the discriminatory aspect of the pension program—the fact that married couples are discriminated against when the income of the wife is used to prohibit WVA being given to the husband, though if a couple were living common law the income of the wife would not affect the pension of the gentleman concerned. To my mind, this is wrong and I believe the rules should be changed because the present practice is most discriminatory.

Mr. MacDonald: Mr. Chairman, a husband and wife are treated as a family and their incomes are counted together. This can reduce WVA payments, as the hon. member indicated. What the hon. member is asking, I take it, is that the wife's income should not be counted. But, you know, income could be as high as $50,000. So in these cases we apply the rule which applies to GIS.

Mr. Towers: It is certainly not that way in Alberta. We do not have war veterans wishing to receive war veterans allowance while their wives are receiving $50,000. If this type of program is to be carried on, then at least the allowance when the wife is working should be increased. The present arrangement is not acceptable to me or to a lot of people who are caught in this situation.

Mr. MacDonald: The problem is an understandable one and it is one which we face in many cases. Any time we can do what we feel is fair, we certainly do it. Some of these people do receive quite high incomes and it is hard to get money and carry out the program in a way which is fair to all veterans. However, I shall be pleased to consider any suggestions the hon. member may care to put forward.

Clause agreed to.

Clauses 3 to 13 agreed to.

On clause 14—*Pensions to widows of certain members.*

Mr. Knowles: Mr. Chairman, as I indicated when I was speaking at the second reading stage, I should like to move an amendment to clause 14. There are a number of subclauses in it, and so on. My hon. friend across the way wondered if I could move an amendment which would be in order. It is our undoubted right in this chamber to vote against anything brought before us—to vote against a clause or against a portion of a clause—and that is what I propose to ask the committee to do.

I do not propose anything new. I simply propose we be given the chance to vote against clause (3.2) at page 11 of the bill. If this is approved, if we strike out lines 14 to 31 at page 11, then, of course, the whole clause is left with its provision coming into effect on October 1, 1980. That provision is already in the bill on page 10 where the reference is to the rates set out in clauses 12 to 20 of schedule A. If it were not for this redefinition of what clauses 12 to 20 mean, everything would be fine; it would be in effect from October 1. I might say that those references to clauses 12 to 20 are to columns in the schedule which specify the different pension rates—45 per

cent, 40 per cent and so on. If we can get those lines out, then this is an awfully good bill. It puts the provisions into effect on October 1. Therefore, I move:

That Bill C-40 be amended on page 11 by deleting therefrom lines 14 to 31 inclusive.

In the French text, it would be lines *quatorze* to *trente-deux*.

Mr. Collenette: Mr. Chairman, I challenge the validity of this amendment and offer a few citations for your consideration. First, only the Crown can alter the royal prerogative. Standing Order 62(1) clearly states:

This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

I would argue that even though the wording of the hon. member's proposal does not actually call for an increase in expenditure, the effect of the deletion of lines 14 to 32 of this clause would be to increase expenditure. For this reason the motion is out of order since the hon. member does not sit on the treasury benches.

● (1730)

There are two other citations at which hon. members might want to look. Citation 773(7) clearly states:

An amendment is out of order if it imposes a charge upon the public treasury, if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the royal recommendation.

This arose from a decision by Mr. Speaker Lamoureux in June of 1969.

I could go on to cite Beauchesne's Fourth Edition, which clearly outlines the same principle in citation 246(3). Rather than read it, I will draw your attention to it. In net effect, I am objecting to the procedural acceptability of the amendment of the hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Chairman, the hon. member is perfectly right that a member not of the cabinet does not have the right to propose in positive terms a bill or a motion calling for the expenditure of money. I am not doing that. The parliamentary secretary will contend, quite rightly, that the effect of my amendment is to increase the charge on the treasury because all this money would have to be paid this year instead of over six and a half years. But I know from memory that it has happened a number of times if it is done in this way. Let me put it this way. There is no rule in our procedures or anywhere else which says that we have to vote for everything that is put before us. We can vote against any clause in a bill.

There is also a provision that a clause can be divided into its constituent parts, and I could ask you, Mr. Chairman, to divide clause 14 into its constituent parts so that we could vote for all the other subclauses but not vote for subclause (3.2). All I am asking is that we be given the democratic right to vote against something that is put before us. The effect of that, as I said, will be for the money to have to be paid. I did not see the bill until noon today, and I am sorry that I did not anticipate this to the point of looking up some precedents, but I know that it has happened a number of times that we have been permitted to vote against something, even though the effect of such a vote would be to increase the cost, provided we are not proposing it in positive terms.

All I am asking is that you allow members of the House the right to vote for or against what is put before them, not to be told on a procedural point that we have to vote for what is in front of us.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I must say that I listened with great interest to what I think is a most ingenious argument, an argument the ingenuity of which one would be hard pressed to find against, and I urge you to find in favour of the amendment.

The precedents which have been read by the parliamentary secretary apply to a situation which is not the situation which has been placed before us by the hon. member for Winnipeg North Centre.

Aside from the procedures, which I think are quite in order, with repect to the amendments, for the reasons given by the hon. member for Winnipeg North Centre, I think everyone in the House had better consider the effect of having this matter struck down in procedural terms. The effect of its having been struck down in procedural terms is not to give the House the opportunity of improving upon the benefits that have been proposed in this bill. Because, in fact, the benefits, in terms of the payment out to veterans, will be improved. That goes to the merits of the bill itself.

I think we have to be extremely careful that we do not put ourselves in the position here of depriving members of Parliament of their ability to vote against something that is put in front of them. So I would urge you, Mr. Chairman, with respect, to find in favour of the amendment and to allow it so that not only will the bill be improved in terms of veterans but that as well the right of members of Parliament in dealing with legislation will be protected.

Mr. McKinnon: Mr. Chairman, I should like to make a very short contribution regarding one of the references made by the parliamentary secretary about the power to have bills prepared which involve the expenditure of money. If he would check with Bill C-578 standing in my name on the order paper, which is an act to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act, he would find that there are occasions, exceptional occasions I grant you, when such bills are accepted. In that spirit, I think we should be able to support the amendment of the hon. member for Winnipeg North Centre, a very worth-while amendment which I would find quite easy to accept.

Mr. Collenette: Mr. Chairman, I rise on a point of order. I do not want to prolong this debate unduly, but my point does go to the heart of responsible British parliamentary government, and that is the ability of the Crown to initiate all

spending and taxing powers. While I take the point of the hon. member for Victoria on his bill, all members can allow any bill to be introduced as a courtesy; but it would seem there would be precedents in private members' hour in the past which hold that where such bills infringe upon the royal prerogative, those bills are ruled out of order at that time. Or at least, it goes beyond the realm of a private member to introduce such a bill.

But more specifically to the point is citation 246(3) in Beauchesne's fourth edition, which states:

The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment—

This is the key point, Mr. Chairman.

—infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

I think perhaps that is more solid proof that this amendment is out of order.

The Chairman: The Chair proposes to recognize the hon. member for Winnipeg North Centre and then to make a ruling.

Mr. Knowles: Mr. Chairman, I note that the parliamentary secretary has not addressed himself to my contention that members of the House of Commons have the right to vote yea or nay to propositions that are put before us. It is the government that has put before us the proposition containing lines 14 to 31 on page 11. Surely we have the right to say yea or nay to it. To deny that right, to say that we have to accept it, is certainly contrary to the principles of democracy.

I have been trying to find instances in the past when we have voted against certain tax increases and we were allowed to do it, even though, if we had won, the government would have lost money. I do not have the right to make a positive proposal which involves the expenditure of money, but I do have the right to vote against a subclause that has been put before us. I am happy to do it either way. You can divide the clause into its several parts and we could vote for some and against this one. I just think it is simpler to accept this amendment to delete the lines which I have indicated.

The Chairman: The Chair has listened to the argument. The royal recommendation reads as follows:

His Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in a measure entitled "An act to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowances Act and the Civilian War Pensions and Allowances Act."

Clearly the amendment imposes an additional financial charge upon the Treasury. Beauchesne's Fifth Edition is quite specific; it has been cited. Citation 773(7) reads:

An amendment is out of order if it imposes a charge upon the public treasury, if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the royal recommendation.

I fail to understand how it does anything other than relax the qualifications and purposes as expressed in the royal recommendation. In the circumstances the Chair rejects the motion. The hon. member for Winnipeg North Centre is perfectly right when he says that it is open to hon. members to accept or reject clauses put before them, and that is certainly his right in committee. But in the circumstances the Chair rules against the admissibility of the amendment.

Mr. Knowles: Obviously, Mr. Chairman, I accept your ruling, but will you now split this clause into its separate parts?

● (1740)

The Chairman: Then there is a difficulty here. Standing Order 75(1) reads as follows:

In proceedings in any committee of the House upon bills, the preamble is first postponed—

This we have done. It continues:

—and if the first clause contains only a short title it is also postponed—

This we have also done. It continues:

—then every other clause is considered by the committee in its proper order; the first clause (if it contains only a short title), the preamble and the title are to be last considered.

It seems to me that we consider the bill clause by clause. I presume that means the entire clause at each stage. This is the interpretation the Chair is making at this point.

Mr. Knowles: I invite your attention to clause 776 on page 234 of Beauchesne's Fifth Edition, which reads as follows:

A committee has the power to divide a clause or to decide that the first part of a clause shall be considered as an entire clause. A motion to divide a clause must be taken before the clause is adopted.

Of course, I can put such a motion but it is clear—

The Chairman: If the hon. member puts such a motion, we will accept it and take the clause by sections, then.

Mr. Knowles: The rule says that I have to write it out.

Mr. Lamontagne: In both official languages.

Mr. Knowles: Mr. Chairman, I move:

That clause 14 of Bill C-40 be divided into its separate subclauses.

If this amendment carries, we will vote on the separate subclauses, and I will vote for all of them except subclause (3.2).

The Chairman: It is moved by the hon. member for Winnipeg North Centre that clause 14 of Bill C-40 be divided into its separate subclauses, presumably for voting purposes.

Mr. Knowles: Yes.

The Chairman: Shall the amendment to clause 14 carry?

Amendment (Mr. Knowles) agreed to: yeas, 80; nays, 0.

Mr. de Corneille: Mr. Chairman, when the hon. member said that he would vote against all clauses except the last one, it seemed to me—

An hon. Member: That is not what he said.

Mr. de Corneille: If this is done, it then says "(3) subsection (2) shall come into force". If there is no (3) subsection (2), what will be coming into force? I am not quite clear on that.

Mr. Knowles: Mr. Chairman, I am afraid the hon. member misunderstood. I said that I would vote for all the subclauses of clause 14 except subclause (3.2), lines 14 to 31, on page 11. Now that the committee has voted in support of my motion that it be called by its various subclauses, I trust that is what the Chair will do.

The Chairman: Shall clause 14(1) carry?

Some hon. Members: Carried.

Subclause (1) agreed to.

The Chairman: Shall clause 14(2) carry?

Mr. Knowles: Mr. Chairman, I specifically said in the motion "subclauses". While we let clause 14(1) go which had an extra subclause in it, clause 14(2) contains subclauses (3.1) and (3.2). I am asking for a separate vote on subclauses (3.1) and (3.2). I will vote for subclause (3.1) but against subclause (3.2).

The Chairman: Shall subclause (2), lines 27 to 48 inclusive, on page 10 of Bill C-40 carry?

Some hon. Members: Carried.

Subclause (2), lines 27 to 48 inclusive on page 10, agreed to.

The Chairman: Shall subclause (2), lines 1 to 13 inclusive on page 11 of Bill C-40, carry?

Some hon. Members: Carried.

Subclause (2), lines 1 to 13 inclusive on page 11, agreed to.

The Chairman: Shall subclause (2), lines 14 to 31 inclusive, carry?

Some hon. Members: No.

Subclause (2), lines 14 to 31 inclusive on page 11, agreed to: yeas, 62; nays, 58.

● (1750)

The Chairman: Shall the remainder of the subclause carry?

Some hon. Members: Carried.

Clause 14 agreed to.

Clauses 15 to 22 inclusive agreed to.

On Clause 23—*Proportionate compensation payable to the widow in respect of deceased evaders or prisoners of war.*

Mr. Knowles: Mr. Chairman, I simply wish to point out that this clause is an amendment to the Compensation for Former Prisoners of War Act, which is a companion piece to the clause on which we have just voted. Had we been successful in defeating that clause, I would then have asked for a division on this clause; but since it seems that we are slightly outnumbered, I simply make the point that the same change should have been made here, that clause 7.4 on page 19 be deleted.

The Chairman: Shall clause 23 carry?

Some hon. Members: On division.

Clause 23 agreed to.

Clauses 24 to 48 inclusive agreed to.

On Clause 49—*Regulations.*

Mr. Knowles: Mr. Chairman, the printed draft copy of the bill I have has written in it "49—see clause 45". There is nothing in my copy to indicate what clause 49 actually says. May I ask whether it is the same as clause 45? After all, if we are passing something it should be before us in written form. I had to write out my amendments. What is clause 45?

An hon. Member: It is the same as clause 49.

Mr. Knowles: Mr. Chairman, may I ask whether the copy you have at the table has anything in it for clause 49? Obviously the copy I have is incomplete. Has anybody a copy that has anything other than just "see clause 45"?

The Chairman: In response to the hon. member for Winnipeg North Centre, the copy before me has clause 49 which reads as follows:

> Regulations or amendments thereto made pursuant to the said act that are directly related to the application of the said act, as amended by this act, may be made applicable on or after July 1, 1980.

Does that answer the hon. member's question?

Mr. Knowles: It does, Mr. Chairman. I am glad to know it is there. Some members have sent me copies of the bill which have clause 49. The copy I have, which was given to me this morning—I still have it and can show it to you to indicate that I was not fooling—has no clause 49 in it. If the copy you have and that you initial has in it the words you have read, I am satisfied.

Mr. MacDonald: I just want to say, Mr. Chairman, that this is an amended copy. The previous one to which the hon. member was referring does not have that clause, but it is in this copy; you have read it and I hope that clarifies the matter.

The Chairman: The copy in the hands of the chairman of committees is as indicated and I propose to initial it if it is adopted in this form. Shall clause 49 carry?

Some hon. Members: Carried.

Clause agreed to.

Clause 1 agreed to.

The Chairman: Shall the title carry?

Mr. Benjamin: Mr. Chairman, before we complete committee stage I am wondering whether the minister will reply to my query in respect of clause 2 regarding what consideration or action the government is prepared to take to provide recognition of and entitlement to the veterans of the Mackenzie-Papineau battalion in the Spanish civil war?

Mr. MacDonald: Mr. Chairman, I planned to make some reference in this regard but I see that time is moving on. The hon. member may not know but this is under consideration by the department. I have no answer for him today other than to say that it is under consideration.

Mr. Benjamin: Are you in favour of it?

The Chairman: Shall the title carry?

Some hon. Members: Carried.

Title agreed to.

The Chairman: Shall I rise and report the bill?

Mr. Collenette: On a point of order, Mr. Chairman. I may have missed this, but is there not on page 32 a schedule that has to be carried?

Mr. Baker (Nepean-Carleton): That is part of a section.

Mr. Knowles: That is part of clause 44 which was carried.

Mr. Collenette: Then I withdraw that question.

The Chairman: There is no schedule in the bill before me. It is my understanding that the schedule is part of clause 44 and was adopted when clause 44 was adopted.

Bill reported.

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

Some hon. Members: By leave, now.

Mr. MacDonald moved that the bill be read the third time and do pass.

Business of the House

• (1800)

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to say that despite the shortcomings which we found in the bill, and the improvements which we will have to make later, it is a good bill. It is a good day and we are glad that we were able to put the bill through all stages.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, we have dealt with this bill and I, too, think that it has been a good day for Parliament and for the veterans. I regret very much that the government did not see fit to agree with the amendments which were supported by this side of the House, but that is their position.

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

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Would the Parliamentary Secretary to the President of the Privy Council tell the House what we will be dealing with when we convene tomorrow?

Mr. Collenette: Mr. Speaker, it has not been definitely decided. There are a number of options. We did plan to continue with Bill S-6 today, and there are also Bills C-3 and C-4. I will undertake in a few moments to obtain a definitive answer for the hon. member for Nepean-Carleton and the hon. member for Winnipeg North Centre.

There is also the matter of Bill C-30, which was reported yesterday and which could be brought forward tomorrow. I will undertake to get the information for the House leaders so that they can inform their colleagues.

Mr. Deputy Speaker: It being six o'clock this House stands adjourned until two o'clock tomorrow, pursuant to Standing Order 2(1).

At 6.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 10, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

PAY-BACK FORMULA UNDER REGISTERED RETIREMENT SAVINGS PLANS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, to pose a motion on a matter of urgent and pressing necessity.

In view of the fact that the current pay-out formula from a registered retirement income fund allows for very small pay-outs in the early years of retirement and very much larger payments as the pensioner approaches his or her ninetieth year, and in view of the fact that contributors to RRSPs should be able to draw larger amounts from their pension savings in the early years of retirement when they need the money most—as demonstrated by numerous representations which have been received by the Minister of Finance—I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House direct the Minister of Finance to take the necessary action to amend the rules governing the pay-back formula from registered retirement income funds so that annual payments to pensioners can be equalized over the entire pay-back period between age 70 and age 90.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

CRITICISM OF EARLY CLOSING OF POSTAL STATIONS—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter as urgent and as pressing as next Monday, July 14, when postal stations in Ancaster and Dundas in my riding at least, and in many other Canadian communities as well, will begin closing a crucial 30 minutes earlier than the normal 5.45 p.m. time, causing great inconvenience to many businesses in these communities.

In view of a formal letter of protest sent to the Hamilton postmaster by the mayor of the town of Ancaster, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That this House directs the Postmaster General to make immediate alternative arrangements to these early closing hours in order not to create even further deterioration of Canada's postal service.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

HIGH INTEREST RATES CHARGED BY CHARTERED BANKS—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

When the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) announced on March 10 of this year that Canada would have a floating bank rate, this government effectively abdicated responsibility for the country's monetary policy. While the Bank of Canada has announced successive reductions in the bank rate, the chartered banks have chosen to pursue their own independent monetary policy, maintaining high interest rates.

The traditional spread between the central bank rate and the chartered banks' prime lending rates has increased by more than 200 per cent since April. In addition, chartered banks' profits, after taxes, in the second quarter of this year are up sharply over the same period last year. Therefore, I move, seconded by the hon. member for Beaches (Mr. Young):

That the government take immediate action to regain control over the country's monetary policy and curtail the monopolistic pricing practices of the chartered banks.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

CHARTERED BANKS' INTEREST RATES IN EXCESS OF BANK OF CANADA RATE—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, my motion is similar to the previous motion under Standing Order 43, also in respect of a matter of urgent and pressing necessity.

When interest rates in Canada were rising, the differential between the Bank of Canada rate and the chartered bank prime rate averaged about 1 per cent. Now that the Bank of Canada rate has been somewhat reduced, the chartered banks have not followed suit accordingly, thereby allowing the gap to triple—to nearly 3 per cent. In view of this unfair and inconsistent practice, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House instruct the Minister of Finance to accept the responsibility for directing the financial institutions of this country to stop ripping off borrowers, particularly the struggling small businessman, and disallow the chartered banks to charge more than the traditional 1 per cent above the Bank of Canada rate.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

DIVORCE

TRANSFER OF JURISDICTION TO PROVINCES—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the strong objections of the Advisory Committee on the Status of Women to the transfer of jurisdiction over divorce from the federal government to the provinces, until the impact of this transfer has been thoroughly studied to assess its effect on women, and in light of the opposition of the Canadian Bar Association to this transfer, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House protest the proposal made by the Minister of Justice yesterday to the provincial ministers that control over most aspects of divorce be transferred to any province that wants it.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CROSS-COUNTRY MARATHON OF TERRY FOX

ADMIRATION FOR MR. TERRY FOX FOR HIS EFFORTS ON BEHALF OF CANCER RESEARCH—MOTION UNDER S.O. 43

Mr. Douglas Fisher (Mississauga North): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In fact, I believe we may be a bit overdue in this instance.

I move, seconded by the hon. member for Bellechasse (Mr. Garant):

That this House extend its admiration and encouragement to Mr. Terry Fox for his cross-country marathon of hope on behalf of cancer research and, further, that this House support the request of Mr. Terry Fox that other Canadians assist his marathon through their donations to the Canadian Cancer Society.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Does the House accept the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

AGRICULTURE

GRAIN—REQUEST FOR ACTION TO IMPROVE TRANSPORTATION—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Madam Speaker, noting that we are only three weeks away from the termination of the Canadian Wheat Board 1979-80 crop year, I want to say it is commendable that there has been a general improvement in the transportation of grain over this past year; however, in numerous specific communities congested elevators still exist and are denying farmers an opportunity to an adequate cash flow at the conclusion of this crop year.

I therefore move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That this House advise the minister to take whatever initiatives are required, which may include special spotting of grain cars or an extension of the crop year, with the objective of relieving all prairie communities of congested elevators prior to the 1980-81 shipping season which will commence August 1, three weeks from now.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ROYAL CANADIAN MOUNTED POLICE

DELAY IN PRESENTATION OF McDONALD COMMISSION REPORT—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that the McDonald commission, Canada's longest running, most costly and least productive road show, has been in existence for almost three years, and in view of the fact that I have today been informed—and the Solicitor General will no doubt confirm—that there will be yet a further delay in the final report of the McDonald commission, I move, seconded by the hon. member for Beaches (Mr. Young):

That in view of this intolerable further delay in the McDonald commission report, the Minister of Justice and the provincial attorneys general immediately begin prosecution and disciplinary action against those members of the RCMP who apparently have broken the law, and thereby reassure Canadians that the rule of law does indeed apply in this country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN PIPELINES

ALASKA GAS PIPELINE—REQUEST FOR IMMEDIATE APPROVAL—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Canada is importing some $3 billion to $4 billion of oil and $1 billion of coal per year. Canada's unemployment rate is rising rapidly, and its balance of payments is rapidly deteriorating. The pre-build section of the Alaska Highway gas pipeline will provide 150,000 man-years of employment, with some 30,000 to 40,000 man-years of employment in Ontario, a favourable balance of payments of $2 billion per year, an investment in Canada of $1.6 billion, with some $360 million in Ontario and Quebec. Therefore, I move, seconded by the hon. member for Calgary North (Mr. Wright):

That the federal government immediately approve all Canadian aspects of the prebuilt Alaska Highway gas pipeline, while concurrently continuing negotiations with the U.S.A. for guarantees in regard to construction of the northern and Alaska sections of the gas line.

● (1415)

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

UNEMPLOYMENT INSURANCE

COMPENSATION FOR ALLEGED VICTIMS OF PREJUDICE—MOTION UNDER S.O. 43

Mr. Carlo Rossi (Bourassa): Madam Speaker, I rise under Standing Order 43 concerning a condition which I feel deserves the immediate attention of the House; that is, the 13,500 retiring Canadians who have lost $23 million as a result of a prejudice ascribable to the Unemployment Insurance Commission. Therefore, I move, seconded by the hon. member for Champlain (Mr. Veillette):

That the House acknowledge that inequity and unanimously ask the minister responsible to take the necessary steps to reimburse the individuals involved in the shortest possible time.

Madam Speaker: Such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

An hon. Member: Collenette said "No".

Madam Speaker: Is there unanimous consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

ALASKA GAS PIPELINE—EXPORTS OF NATURAL GAS TO UNITED STATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, who will recall that on December 6, 1979, when he was criticizing the decision of my government to export Canadian natural gas he said, as reported at page 2101 of *Hansard* of that date: and I quote:

—exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline.

I wonder if that remains the position of the minister, or if he has changed his position.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, indeed, when we were in opposition we severely criticized the previous government for having approved the export of gas without having made any effort to

get strong assurances from the American government, the American authorities, before approving those exports.

What we have indicated is that we wanted to have assurances, strong assurances and complete assurances, from the American authorities that the whole pipeline will be constructed. This is the matter that the cabinet is now examining, making sure that no approval will be given unless we have satisfactory assurances from the American authorities that the pipeline will be constructed.

Mr. Clark: Madam Speaker, I would call that an ironclad flip-flop.

Some hon. Members: Hear, hear!

An hon. Member: You know all about flip-flops.

Mr. Clark: As the minister knows, our government approved exports, the pre-build and the whole pipeline. Foothills has now stated that they need a decision by next Tuesday in order to meet start-up requirements for construction this year. Does the government accept that as a firm deadline; and, if not, what deadline do they consider to be firm and applicable in these circumstances?

Mr. Lalonde: Madam Speaker, from previous experience I thought that the hon. Leader of the Opposition did not like the word "deadline". I understand that the Foothills company have indicated that they needed a decision by June 15. We are in touch with the company—

An hon. Member: July 15.

Mr. Lalonde: By July 15. We are in touch with the corporation and we will assess whether this is really a complete deadline or whether there is flexibility.

Mr. Clark: Madam Speaker, the House of Commons would like to know the decision of the government at least by Tuesday, if they could find it in their heart to give it to us.

Let me put a simple question to the Minister of Energy, Mines and Resources. Has the Government of Canada made a decision on the pre-build? If so, what is that decision?

Mr. Lalonde: The answer is no, Madam Speaker.

ALASKA GAS PIPELINE—EFFECT OF CONSTRUCTION ON CANADIAN ECONOMY

Hon. Bill Jarvis (Perth): Madam Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. I appreciate the minister's discomfort: all of us who have been here any length of time say things, either in opposition or in government, that we have to change later.

An hon. Member: To swallow.

Mr. Jarvis: Well, I have said many things I have regretted; there is no question about that.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

• (1420)

Mr. Jarvis: But this is not one of them. I think I can assist the minister in his embarrassment, particularly concerning yesterday when his colleague, the Minister of Industry, Trade and Commerce, could not confirm in any way the impact on the economy of the pre-build portion.

Presuming that the Minister of Energy is the one responsible in cabinet for steering this through, can he give us today—either in terms of man-years or in terms of dollars, including or excluding the multiplier or spin-off effect—some indication of what the industrial impact, in terms of employment and infusions into the economy, might be from the pre-build? If he can give it in terms of regions of the country, I think it will be very helpful to the House.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first of all, I would like to correct my hon. friend on two points. However, I do appreciate his efforts to help me. First, there is no embarrassment whatsoever as far as I am concerned, and I want to assure him of that.

Some hon. Members: Oh, oh!

An hon. Member: You do not embarrass easily.

Mr. Lalonde: The pre-build will be approved by cabinet only if it is to be an integral part of the Alaska gas pipeline. This is the view of this government. This was put forward in the act passed by Parliament a few years ago, and this is what we intend to stand by.

As far as his second point is concerned, I would like to correct the hon. member in terms of parliamentary or cabinet responsibility. Senator Olson, from the other place, is the minister responsible for the pipeline authority.

Mr. Nielsen: You are the one who answers here.

Mr. Lalonde: But I answer for him here. Third, the benefits for Canada of building the pipeline, even now or at a later date, are very substantial indeed.

Mr. Nielsen: What is this later date?

Mr. Lalonde: When we were considering a motion under the provisions of Standing Order 43, the hon. member from Edmonton gave a number of figures which I do not dispute. I think those figures are, indeed, reasonably accurate. I would not want to confirm every single one of them, but in broad terms I would say they do represent reality.

Mr. Clark: Why doesn't Herb know?

Mr. Lalonde: This government is interested in building not only the pre-build portion but the whole of the Alaska gas pipeline, which will benefit all parts of Canada tremendously.

An hon. Member: Get moving, then.

Mr. Jarvis: Madam Speaker, I thought it was the minister who was having trouble with his cabinet colleagues. It may be Senator Olson. So by osmosis through the minister, maybe I can help Senator Olson, because on the other aspect which relates directly to what the minister has called his Canadianization program the minister will be aware that, in terms of the gas-producing companies, it is not a conglomerate of multinationals; indeed, I think it is somewhere in the area of 250 Canadian independents whose future is at some risk in terms of the pre-build section. Therefore, can the minister give some indication to the House as to the accuracy of saying that there are about 250 small, Canadian-owned, independent gas producers whose future rests on the pre-build section? If so, has that evidence been brought before cabinet?

Mr. Lalonde: Madam Speaker, I must advise the hon. member that when his government precipitously approved the project last year, the main beneficiaries were a small number of large multinationals in terms of gas companies.

Some hon. Members: Oh, oh!

Mr. Lalonde: Thanks to our efforts and work, the project now has been somewhat changed and there are a large number of small Canadian companies who will be the beneficiaries of this proposal.

Mr. Baker (Nepean-Carleton): How?

ALASKA GAS PIPELINE—SWAP PROPOSALS WITH UNITED STATES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources. The Leader of the Opposition referred to a speech made in this House by the energy critic, who is now the Minister of Energy, on December 6, 1979. In his speech he said this:

> Second, there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline—

Can the minister now tell this House if there are any swap provisions in the pre-build proposal? If not, why not?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I can tell my hon. friend that the question of swaps was discussed for several hours with my American colleague during the course of the Summit in Venice. All aspects of this matter were gone into extensively.

• (1425)

As far as the content of any final decision one way or the other, the hon. member will have to wait until a decision is made and then examine the reasons for or against any particular decision that will have been taken by cabinet.

Mr. Waddell: I take it what the minister is saying is there are no swap provisions so far and that is still being negotiated, so we could lose all of that gas.

Let me ask the minister this. He referred to awaiting the cabinet decision. Can the minister tell the House how any decision can be reached on the pre-build when apparently there has been no report from the National Energy Board as to the result of their condition 12 hearings that were held recently? Can the minister confirm to this House that there has been no official report from the National Energy Board? Will he undertake to make any correspondence to Senator Olson or himself, from the National Energy Board, available to this House immediately so that the members of this House, as well as the cabinet, can assess whether the guarantees have been met?

Mr. Lalonde: Madam Speaker, I think the hon. member has some misunderstanding as to the procedure. I am advised by the National Energy Board that they have recommended to cabinet an amendment to condition 12. Before issuing a decision as to whether they are satisfied that the conditions are met or not, they need to first have a decision by cabinet on condition 12. They have to know whether cabinet would be ready to amend condition 12, allowing the recommendation of the Energy Board, before reaching a decision and making it public.

I can also advise the hon. member that I have received no correspondence from the Energy Board. I will inquire from my colleague in the other place, but I do not believe there is any correspondence along the lines to which he has referred.

Mr. Waddell: Madam Speaker, the minister is fond of telling me to get the facts straight, but if he reads what he just said he will see that it is an Alice in Wonderland procedure. He is telling the House that the National Energy Board is supposed to make a decision, then they are waiting for the government to decide, and then they will issue the proper decision. That is no procedure at all.

Let me ask the minister a final supplementary. I cannot ask him the contents of the legal opinion, but let me ask him this. Has the government asked for, or received, a legal opinion from the law officers of the Crown or the appropriate authorities as to whether it is legal that the government can approve the pre-build of the pipeline without bringing the matter back in the form of legislation before the House of Commons?

Mr. Lalonde: Madam Speaker, I will try and again enlighten my hon. friend as to the first part of his question. There are two elements in the Energy Board decision, or action. The first is to recommend an amendment to condition 12. The second is to decide, if cabinet were to approve condition 12, whether the conditions the Energy Board announced under condition 12, if it were amended, were met.

These are two different steps. Cabinet could still approve an amendment to condition 12, and the Energy Board could then say within that amendment they come to the conclusion that the conditions they have set have not been met. That is what I tried to explain to my hon. friend the first time he asked the question. There is no Alice in Wonderland problem there.

[*Translation*]

As for the second part of the hon. member's question dealing with a legal opinion, to my knowledge my department did not ask for a legal opinion—I certainly did not. I suggest to the hon. member that it is not necessary to be a lawyer to understand the bill passed by Parliament. It is quite clear. One only has to read it. The meaning is obvious and I wonder why we would need another legal opinion to repeat what Parliament itself has so clearly legislated. You only have to read it to realize that.

● (1430)

[*English*]

ALASKA GAS PIPELINE—JURISDICTION UNDER NORTHERN PIPELINE ACT

Hon. Erik Nielsen (Yukon): The minister knows, or should know, that cabinet action with respect to the powers exercisable under section 12 of schedule 3 is not necessary. It is the minister with whom that power is vested, or the board. Since the minister seems to have a misconception as to where the power resides under that section, can he inform us whether it is the intention of the government to invoke the provisions of section 14, which would provide the minister with those broad powers set forth in that section and in section 15 of the act?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, unfortunately I am not yet in a position to answer the question raised by the hon. member. As the hon. member knows, these are internal matters pertaining to the operation of cabinet and if cabinet decides to act under the specific provisions of the act, it will reach a decision which will then be made public. Meanwhile, however, I do not think it is advisable to speculate on the possible use of this or that provision in the act.

* * *

[*English*]

GOVERNMENT EXPENDITURES

VENICE SUMMIT—DECLARATION ON FISCAL AND MONETARY RESTRAINT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Prime Minister. Another August 1 is fast approaching, and since at the Venice conference the Prime Minister joined with other nations in signing a declaration which included a statement calling for determined fiscal and monetary restraint, would the right hon. gentleman tell us whether, as reported, consideration is being given to substantial cuts in government spending of a nature similar to those announced by the Prime Minister on August 1, 1978, bearing in mind that Dr. Stewart, the present deputy minister of finance, has indicated that government spending trends in coming years will mean 10 per cent to 12 per cent extra spending for Canadians; in fact, $250 for every man, woman and child—needless spending, if the trend is not corrected—compared to that outlined in the Crosbie budget?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the President of the Treasury Board, on behalf of the government, has indicated several times that restraint was still a practice of this administration and that he was very deeply engaged in following that practice. Every day, I believe, members of this House see examples of the government practising restraint when requests by the opposition for spending in their constituencies are resisted.

Some hon. Members: Oh, oh!

Mr. Nielsen: How can you say that with a straight face?

An hon. Member: How about your own members?

Mr. Trudeau: You hear them, Madam Speaker? They are each saying that their riding is an exception. But that is not the case.

Some hon. Members: Hear, hear!

Mr. Trudeau: In the case of the communication to which the hon. member referred, I would point out that the lines which follow nonetheless express a caution that we must ensure that the practice of restraint should not be pursued at the expense of the unemployed. There are cautionary words to that effect, and I think it is fair to say that the chairmen of the European Commission and the Canadian delegation were emphatic on this.

Mr. Stevens: To show some evidence of the restraint the Prime Minister is speaking of, and since it is now 27 months since we last had a fully-passed budget in this House, will the right hon. gentleman at least accept October 10 as the deadline before which a budget will be introduced setting out the government's budgetary program, bearing in mind that if he does not accept this deadline it will mean we have gone into the thirty-first month under his government with an aimless economic policy and no fully-passed budget program in position since April, 1978?

Mr. Trudeau: I think it is fair to say we shall try to do as well as the opposition in presenting a budget within a given date of the day on which we were elected. But since the hon. member is talking about a specific date, I would obviously have to consult the Minister of Finance before making an ironclad guarantee.

AIR SAFETY

INVESTIGATION OF NEAR-ACCIDENTS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Transport; I hope we shall be acting on air safety a little faster than we are on the economy.

The minister is, of course, aware that two incidents occurred on the west coast, one in Vancouver in which a DC-8 and a DC-737 were involved in a near-miss situation, and another in Victoria in which a 737 and a Beechcraft nearly collided. Would the minister explain what action is being taken by his department with regard to investigating these events, and could he describe the effect of the government's restraint program on the reduction of the general level of air safety in the area?

Hon. Jean-Luc Pepin (Minister of Transport): I am quite aware that there is a debate on the way investigations should be conducted following an accident or a near-miss. That is one of the major points in the Dubin inquiry, and I would have thought the hon. member would agree that it would be very wise to wait until we have the result of the extensive inquiry which the judge has been conducting.

Mr. Skelly: Madam Speaker, I would point out in relation to the Victoria incident that we have been waiting for years for radar to be put in place in Victoria. The problem is one of expense. But people have already been killed because of the lack of these facilities.

With regard to the business of reporting, the minister is aware that we are not only awaiting some kind of statement or separate investigation: he also promised at the time to give us a report on the incident involving the 737. We are still waiting for that. Basically, I would appreciate hearing something about the installation—

Madam Speaker: Order. I feel the hon. member should ask his question. There is no need for a long preamble, especially to a supplementary.

Mr. Skelly: Could the minister tell us when he might be prepared to report what occurred in this incident, what has occurred in connection with the 737 incident and, specifically, what he might be doing about radar installation at Victoria to prevent future incidents, regardless of what may happen at the inquiry?

Mr. Pepin: I will look into these two incidents immediately to find out whether the report of the inquiry is available. Members of the House are aware, of course, that every day there is improvement in the general equipment of our airports in Canada. Millions of dollars are being spent on that purpose. If the hon. member would like a list relating to airports in his own geographical area, I will be glad to provide him with one.

AIR TRANSPORT

HALIFAX-MONTREAL ROUTE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, my question is directed to the Minister of Transport. In view of the cabinet's recent decision to award the Toronto-Halifax route to Eastern Provincial Airways—a decision which, by the way, I applaud—and in view of the fact that CP Air has refused to serve the Halifax-Montreal route, would the minister please tell us what steps he or his officials are taking to ensure that the Halifax-Montreal route, normally served by Eastern Provincial Airways, is served by CP Air or some other carrier in future?

Hon. Jean-Luc Pepin (Minister of Transport): I am, of course, pleased that the hon. member is satisfied with the decision which was made by cabinet. Personally, I was rather sad that CP Air could not find its way clear to accept the compromise we had reached, particularly in view of the fact that at one point in time in the course of discussions with the parties we had the impression that they would.

On the subject of the Halifax-Montreal route which, as the hon. member will recall, EPA relinquished in the compromise we reached, I understand that Eastern Provincial Airways has asked the Transport Commission if it can continue to operate now that CPA does not appear to wish to do so. The Canadian Transport Commission has received this request and is communicating with the other parties, particularly with CPA, to see what they think of it.

* * *

● (1440)

INDUSTRY

CANADA-U.S. AUTO PACT—PROPOSALS OF PRESIDENT CARTER

Mr. Otto Jelinek (Halton): Madam Speaker, my question is to the Minister of Industry, Trade and Commerce, and it deals with recent statements made in Detroit by President Carter regarding the ailing auto industry.

Could the minister inform this House whether he discussed the proposals set forth by the president during his recent meetings with U.S. officials in Washington; and if he has discussed President Carter's proposals—which I assume he must have—why has he not acted accordingly? Why are we taking a back seat again to every other country in the world as far as the auto industry is concerned?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, in our recent discussions in Washington we discussed a range of matters, including the areas covered by the president's statement. I have to tell my hon. friend that we had already begun acting on the same areas in our own country well before President Carter made his state-

ment. President Carter, for example, first met with the automobile industry on May 14. We began meeting with the industry within days of taking office in March.

Some hon. Members: Hear, hear!

Mr. Gray: President Carter said that he would begin studying changes in tax laws to assist the auto industry. We already have those kinds of things on the books in Canada.

Some hon. Members: Hear, hear!

Mr. Gray: When it comes to dealing with the problem the Americans are trying to deal with regarding inventory levels of automobile dealers, an initiative taken by my hon. friends—I am trying to be fair on this—in their last budget—

Some hon. Members: Oh, oh!

Madam Speaker: Order.

Mr. Clark: You have lost the Speaker's vote, Herb.

Madam Speaker: Order. The hon. minister is being cheered so much, he must be making a speech.

Mr. Jelinek: Madam Speaker, under normal circumstances I am a patient man, but I am getting fed up with the runaround of rhetoric we have been getting from this minister for the last four months.

Some hon. Members: Order.

Madam Speaker: Order. No speeches.

Mr. Jelinek: Madam Speaker, I will leave the rhetoric to the minister, and I will ask him a simple question. Why does he continue to delay in taking any specific and positive action instead of just studies, which he has been doing for four months? Second, is he now prepared to propose forthwith all the positive plans as outlined by President Carter in Detroit and the many other recommendations which he has been receiving from this side of the House and from other interest groups such as the Automotive Parts Manufacturers' Association of Canada?

Mr. Gray: Madam Speaker, my hon. friend is so wrapped up in his own rhetoric that he is not paying attention to what we have actually been doing. For example, we have undertaken some very successful missions with the auto parts manufacturers and with third country importers to facilitate greater exports of auto parts from Canada. Our program to provide loan guarantees to Chrysler alone has guaranteed in large measure the survival of some 40,000 jobs in Canada, something which the hon. member's party was unwilling to do when it was in office.

Some hon. Members: Hear, hear!

Some hon. Members: More.

Mr. Gray: Madam Speaker, we are proceeding to put in place further action of a kind that the auto parts manufacturers find very acceptable and—

Madam Speaker: Order, please. I did not hear the minister's response to that question, so I believe not many people did.

Mr. Kempling: You didn't miss anything.

Madam Speaker: I therefore ask the hon. minister to give his answer in two sentences.

Mr. Gray: Madam Speaker, we have already taken constructive action which has helped preserve the jobs of Canadian workers and the Canadian industry, and we are going to continue taking that action, unlike the flops on the other side of the House.

Some hon. Members: Hear, hear!

Mr. Nielsen: You get one more sentence, Herb.

NOVA SCOTIA AND NEW BRUNSWICK—SUBSIDIES ON SHIPMENTS OF COAL TO ONTARIO

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, somewhat reluctantly my question is to the same minister. As the minister is no doubt aware, at the first meeting of the economic Summit in Venice, the right hon. Prime Minister stated that we will encourage long-term commitments by coal producers and consumers. The minister's colleague in the other place has made the statement that he offered to spend millions of dollars to subsidize Pacific Rim sales of coal to Japan.

Is the minister's government prepared to make the same sort of commitment to Nova Scotia and New Brunswick in order to enable them to subsidize shipments of coal to Ontario markets?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are prepared to make constructive commitments to help the coal industry in Nova Scotia and elsewhere in the maritimes, as we are for all parts of the country.

Mr. Corbett: Madam Speaker, I hope we can take that as a commitment that the minister and his government have changed their attitude that the maritime and Atlantic region is a rinky-dink territory.

On the commitment he has undertaken, could the minister now be specific and tell this House what it is that he and his government intend to do to promote the sale and production of coal in the Atlantic region for domestic markets in Ontario?

Mr. Gray: Madam Speaker, I think there already is a form of subsidy encouraging coal production in Nova Scotia, and if we have a specific proposal we will come up with a program at the federal level which will be in the best interests of Nova Scotia coal miners.

* * *

THE CANADIAN ECONOMY

ALLEGED UNITED STATES PROTECTIONISM RESPECTING IMPORTATION OF STEEL PRODUCTS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Prime Minister. About a week ago, in answer to a question I put to him, the Prime Minister indicated that in his discussions with President Carter he did not raise the important question of the Buy American provisions, particularly as they relate to urban transportation.

As this is an ongoing sign of increasing pressures toward protectionism in the United States, I ask whether the Prime Minister, the Secretary of State for External Affairs, or the Minister of Industry, Trade and Commerce has raised with the U.S. Administration the very serious concern of Canadians about the most recent example of protectionism, that being the move by New York state to control imports of steel products into the New York state market.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would be very happy to inquire.

Miss MacDonald: That is what you said a week ago.

Mr. Wilson: Madam Speaker, I hope the Prime Minister is aware of the very important impact that protectionism in the United States is having on our economy in Canada, particularly in the steel industry. Now that he has had one week to think about it, perhaps the Prime Minister could have another week to ask the question of his ministers.

May I direct my supplementary question to the Minister of Industry, Trade and Commerce? At the end of 1979, the Clark government had been working hard to settle the problem of the Buy American regulations as they affected the surface transportation industry, light rail transit. There was some hope at that time that we were reaching a breakthrough with the United States.

Would the minister advise the House the status of those negotiations and whether he raised these matters with Mr. Askew in his recent meetings? If so, what were the responses of Mr. Askew?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, with respect to the initiative begun by the previous government, it was not in a form which enabled us to reach a final agreement with the Americans. We are continuing our discussions very actively because we recognize the importance of this. This was certainly a subject I did raise with Governor Askew, and I might add that our officials on behalf of the Canadian government very actively protested the New York state law regarding steel purchases by that government. We are continuing our efforts because the New York state law does not define precisely what is a "steel product" or the margin of protection. We are making urgent representations to the New York administration to have the application of that law defined as narrowly as possible to protect Canadian interests.

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CANADA MORTGAGE AND HOUSING CORPORATION

REQUEST FOR INCREASED FUNDING UNDER RRAP

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is to the minister responsible for CMHC regarding housing in the maritime provinces. In the northern peninsula of Newfoundland, the National Anti-Poverty Organization is assisting hundreds of home owners to repair rundown cottages in remote fishing villages. Since these outstanding efforts are in danger of failing because of inadequate front-end funding under RRAP, will the minister increase RRAP allocations, particularly to remote rural areas in the maritimes and in our north, and will he also revise financing procedures so that delivery agencies such as NAPO do not have to operate under a deficit?

● (1450)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I thank the hon. member for the question: it gives me the opportunity to point out that as a result of the government's action in designating, for example, 5,000 additional starts in the public non-profit area, there has been some recovery in housing generally. The announcement of the widening of the RRAP eligibility program has demonstrated, as well, that there is a demand for that. As a result, starts picked up again in the month of June.

In response to the specific question, it demonstrates that the government is pressed by many members requesting new money and new projects to meet demand. I will certainly take the request of the hon. member under consideration. If we can find money from other areas that has not been drawn, we will attempt to respond. I am reminded of the response of the Prime Minister; certainly there are demands for needs, and that is contrary to restraint.

Mrs. Mitchell: Madam Speaker, my supplementary question is directed to the same minister. It seems to me the minister does not realize that not one of those 5,000 units of non-profit housing can be used in the maritime provinces of Canada. His programs simply do not adapt to the circum-

stances of those provinces. The Atlantic provinces have the highest rate of home ownership despite their poverty and high unemployment—I think they are very proud of this—because most families have built their own homes.

Some hon. Members: Question.

Mrs. Mitchell: Inasmuch as—

Madam Speaker: Order, please. The hon. member should ask her question.

Mrs. Mitchell: Since the minister, in effect, is destroying the co-operative building programs in the maritimes—

Some hon. Members: Question.

Mrs. Mitchell: —will the minister assure the House that he will assist maritimers to continue to build and own their homes, particularly modest ones, by extending non-profit mortgage schemes to cover homes built by building co-operatives?

Mr. Cosgrove: Madam Speaker, I have to reply to the original comments of the hon. member opposite by pointing out that, indeed, 500 of the 5,000 units under non-profit additionally were allocated to the maritime provinces. In addition to that, there are 1,200 unallocated units and I have requests for further allocation in the maritime provinces.

Again, the demand for these non-profit units comes from the area which the hon. member represents. On the other hand she asks for her own riding, for her own province, and then she asks for another province. It is a difficult task to respond to these requests. Yes, the government will continue to analyse this program and we will continue to try to assist the home ownership aspirations of the people of the maritime provinces.

FEDERAL-PROVINCIAL COMMUNITY SERVICES PROGRAM

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my question is also directed to the minister responsible for Canada Mortgage and Housing Corporation. The minister may or may not be aware that recently the Union of British Columbia Municipalities advised all its members that they had been informed the federal government intended to restrict, reduce or even cancel their share of the joint federal-provincial community services program.

Is it the policy of this government to either restrict, reduce or, indeed, cancel their share of the joint federal-provincial community services program?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the program presently in place expires at the end of 1980. I have recommended to the officials of the corporation and to the government that because of the time of year the program be extended for at least one year. It is fair to say, again in response to the question by a member of the same party opposite about restraint, that we should look at the progam to see whether we can afford it and whether indeed the federal government can continue in total or in part; and in what way the program may be used to assist the federal government in its other objectives, for example, in response to the questions of the hon. lady opposite.

Mr. Dantzer: Madam Speaker, my supplementary question is directed to the same minister. As I understand it, the budget, or estimates tabled for this year are in the amount of $246 million. Do they intend to keep to that figure for this year's estimates?

Mr. Cosgrove: Madam Speaker, I have had the opportunity of meeting with nine of the ministers of housing for the provinces. I have taken the opportunity of expressing to them, as I do to the hon. member, that that commitment will be made. Indeed, I have delivered cheques to show the good faith of that commitment.

* * *

HEALTH AND WELFARE

GRANTS TO NATIONAL VOLUNTARY ORGANIZATIONS

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of National Health and Welfare and relates to voluntary organizations. In committee last week, the minister indicated that she favoured the reduction and, indeed, the possible elimination of sustaining grants to national voluntary organizations. There are about 14 of these organizations, such as the Canadian Mental Health Association, Red Cross, and St. John's Ambulance. This relates to the services offered to Canadians by those organizations.

Has the minister changed her mind, or does she still stand by her view that she should reduce or, indeed, eliminate grants? Can the minister indicate when she expects to communicate her intentions to those organizations, and when she intends to meet with them?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, there is no need to say that I never said that. I find it a bit unfair of my predecessor to discuss in this House a long discussion that took place in a committee which I think, by the way, continues tomorrow morning at 9.30. That is not what I said. I presented my estimates, which included the usual sustaining grants to voluntary organizations. I explained in committee the policy of the government. I said that the task force report in the last decade which pointed to the problem of core funding was in opposition to what we favoured. We favour project-oriented action to promote the invaluable work of voluntary organizations.

Some hon. Members: Hear, hear!

Mr. Crombie: Madam Speaker, I waited until the record of the committee came out rather than ask the question last week. If the minister wishes to consult the record, she will see that in fact I used a quotation of hers from the record.

I have a supplementary question. At the same meeting, the minister indicated that the grants were not adjusted for inflation due to an oversight on the part of her department. Would she now assure the House that grants to national voluntary organizations will be adjusted and that oversight corrected in the supplementary estimates?

Miss Bégin: Madam Speaker, I am sorry but I understand even less where my colleague is trying to take us with that question. It is even more unfair because he does not refer to the complete discussion of that topic. I would like to insist on that. I cannot give him the answer he requests because, if I remember well, that was put to my officials. I need technical advice right now which I do not have with me. I am sorry to insist that I do not understand why a question like that can even be asked in the House, when the matter is in committee right now and will be pursued tomorrow morning.

An hon. Member: That is nonsense.

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NORTHERN AFFAIRS

LAND CLAIMS OF INUIT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Recently the Northwest Territories Legislative Council unanimously passed a resolution supporting the Inuit Tapirisat's position that the ITC would undertake land claims negotiations with the federal government this year only on the assumption that their proposal for a new Nunavut territory would be dealt with by the federal government before any final agreement on the land claims.

Considering this important new support for the ITC claim, would the minister now agree to discuss these political aspects of the Nunavut proposal when his negotiators meet with the ITC soon?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I met with the Inuit some considerable time ago when we discussed setting up land negotiations. I indicated that I would be prepared to appoint a negotiator as soon as they were ready. They said that if during the negotiations on the land claims we wished to raise political questions, we could abridge or at least stall any land claim negotiations until we found out where we were going politically. They agreed to it, and it is proceeding. That is the understanding we have.

DIVORCE

PROPOSED TRANSFER OF JURISDICTION TO PROVINCES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Employment and Immigration, the minister responsible for the status of women. The Canadian Advisory Council on the Status of Women, in its presentation to the minister, strongly objected to the proposed transfer of jurisdiction over divorce from the federal government to the provinces.

● (1500)

The minister at that time wholeheartedly accepted the recommendation of the advisory council, indicating he would fight in cabinet in respect of that particular matter. Has the minister communicated with the Minister of Justice and Minister of State for Social Development or the cabinet regarding the position of the advisory council? If not, why not; and what is his response now going to be to that advisory council?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in response to that question let me say yes, I have communicated the concerns of the Advisory Council on the Status of Women to the Minister of Justice. If the hon. member had been looking at the proposals put forward to the provincial ministers, he would know they indicate many of the concerns raised by the advisory council concerning problems of enforcement, problems which are in fact being recognized by the government and are now being negotiated as part of the constitutional problems.

The major concern of the advisory council was the enforcement and custody problems which would be brought about by split jurisdiction. The proposal put forward took those problems into account, and in fact we are negotiating at the present time in light of those kinds of concerns raised by the council.

Mr. Hnatyshyn: Madam Speaker, I am afraid the minister suffers from delusions of adequacy. I should like to direct my question to the Prime Minister.

In light of the response of the minister responsible for the status of women and the proposals which have been put forward to the ministers now meeting in respect of the constitution, in the area of divorce will the Prime Minister table in this House the position of the federal government and of the ministers, and what steps will the government take to ensure that problems in respect of custody, alimony and maintenance, as well as the whole question of jurisdiction of divorce, do not end up with our having some sort of Reno or Tijuana in Canada by virtue of the turnover of jurisdiction to the provinces?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the opening position taken by our Minister of Justice at meetings in Montreal is the one which was put to the federal-provincial conference publicly in February, 1979.

Since February, 1979, we have received representations from interested groups, including many organizations

representating women's rights. They have pointed out that they have difficulty with this matter. Our minister has been negotiating in Montreal on the possibility of adjusting that to meet the particular problem of execution, under different jurisdictions, of maintenance judgments or alimony.

Here, as in everything else, the federal government is taking an extremely flexible position. We are prepared to accommodate the desires of the greatest number of Canadians and are trying to reconcile those with the desires of the provinces in order to simplify the whole area of family law. This has been our position—not reneging on our February position but indicating there was this real difficulty and that we would be anxious to try to find a solution in co-operation with the provinces.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): I rise on a point of order, Madam Speaker. This is Thursday, the tenth day of July, and it is a very important Thursday. I wonder whether my friend would have any information for us in respect of what the plans of the government are as far ahead as he would like to see in terms of legislation for next week? While he is on his feet would he agree to designating next Monday as an allotted day—the seventh allotted day for the opposition?

Mr. Pinard: Madam Speaker, this afternoon we will study Bill C-30. It is very important that we obtain third reading of that bill, hopefully before five o'clock. That will be followed by Bill C-3.

Tomorrow, after consultation with my colleagues, we have agreed to study certain bills in this order, if possible; C-13, C-31 and C-5 which has been reported from the committee or will be reported later on today. That is the Bretton Woods measure. We will need consent to proceed with that bill tomorrow, but I understand we have that consent. We will then proceed with Bill C-4 in relation to municipal grants and, if necessary, S-6, to terminate the day tomorrow.

[*Translation*]

As for the next week, Madam Speaker, I confirm that Monday will be an allotted day, the seventh opposition day. Over the remainder of the week, we should no doubt complete what will be left from this week. In addition, we should consider Bill C-18, the Transportation of Dangerous Goods Act on which the committee will report today, Bill C-26, the Fort Nelson Indian Reserve Minerals Revenue Sharing Act, Bill S-2 concerning tax conventions and Bill C-34, the Judges Act, if we can agree to hold a reasonably short debate to dispose of that bill at all stages.

That is essentially the bill of fare for the next two or three days.

[*English*]

Mr. Baker (Nepean-Carleton): I have one other matter of concern, Madam Speaker. The government made a commitment, as I recollect, to the Canadian Commission on the International Year of the Child to refer the report to the Standing Committee on Health, Welfare and Social Affairs. I wonder when that could be done, on the understanding it would be dealt with in very short order? Would the government House leader consider that, please?

Mr. Pinard: Madam Speaker, if I have agreement that this can be done today without debate I will agree to present it to the committee; if not, I will consult with my colleagues and try to work out something for tomorrow.

Mr. Knowles: Madam Speaker, I thank the government House leader for giving us the bill of fare for the next few days. May I say in respect of Bill C-5 that we will give unanimous consent to that bill being proceeded with at the report and third reading stages tomorrow. I do not think any of the other bills he has listed require unanimous consent, but we do agree on that one.

Just to keep the record clear, what happens to Bill C-34 is still a matter of negotiation. I believe the minister put it that way and I confirm that that is the situation.

In looking over the order paper I have wondered, and sometimes my colleagues have asked me, when we were going to complete the debate on the throne speech. He might tell us some day when we are going to have day number eight in that regard. Surely the government does not want to carry on forever without having the confidence that goes with the conclusion of that debate.

I have just one other thing to say to the minister. He probably does not think it is really Thursday because I cannot ask him when he is going to bring forward the bill regarding veterans. I can tell him that the campaign starts today for a bill to amend the one we passed yesterday in order that 24,000 of the widows who, by that bill, are entitled to their pensions will not have to wait for one to six and a half years to get it. I hope within a matter of months, perhaps when the House comes back in the fall, the minister will agree to the suggestion I am sure the Minister of Veterans Affairs (Mr. MacDonald) will make, that we take care of that fault. We almost did it yesterday but for four votes.

* * *

[*Translation*]

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

July 10, 1980

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the chamber today, the 10th day of July, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

* * *

[*English*]

POINT OF ORDER

MR. McGRATH—SALMON FISHERY—REPLY OF MINISTER OF FISHERIES AND OCEANS

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a point of order arising from a reply yesterday by my hon. friend, the Minister of Fisheries and Oceans (Mr. LeBlanc), to my colleague, the hon. member for Carleton-Charlotte (Mr. McCain), in respect of the continuation of compensation payments to commercial salmon fishermen in the maritime provinces.

● (1510)

I know the minister would not want to deliberately mislead the House, and I know that his answer in this respect, in that it was misleading, was inadvertent. He did say that his predecessor terminated the compensation. He knows that when another year of compensation was granted by Treasury Board, that is for fiscal 1979, it was done on the understanding that that would be the final year in which compensation would be made, because fiscal 1979 was the seventh or eighth year of a program which was scheduled to last for only five years.

In fact, that was the reaction which I received initially from Treasury Board, and it was my understanding that I would not be able to get an extension beyond 1979 of the compensation program. However, I did agree to a modified continuation of the program. In that respect we were looking at ways and means of continuing payments to bona fide fishermen who were still active fishermen and terminating payments for those fishermen who were no longer active. We wanted to find a way to continue payments to those fishermen who were still active.

That is the case, and those are the facts. I am sure that the minister, if he searches his memory, will find that it is so.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I obviously would not want to mislead the House, especially in relation to something at which the hon. member would feel aggrieved. I will check my memory and I will check the record. I suspect that my memory came from a rather strong exchange which took place in the House when I was on the other side. In that exchange it was alleged that I had agreed to terminate compensation, instead of Treasury Board having decided that compensation should terminate. If I remember correctly, I made the point in that heated exchange that I did not agree with Treasury Board in this case and that I thought a program should be put in place either to retire licences which were held by fishermen who were not using them, or to arrange for a buy-back or some other means. I felt that the provinces should participate since they benefited from any reduction in the commercial salmon fishing effort on the east coast.

That being said, I take the hon. member's correction as a point well taken, and I apologize for anything which I said which would make it appear as though the hon. member were misleading the House. Obviously, that was not my intention.

* * *

PRIVILEGE

MR. CORBETT—REFERENCE TO NEWFOUNDLAND BY HON. MEMBER FOR VANCOUVER EAST

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, as an Atlantic Canadian and a member from the maritime provinces, I rise on a point of privilege. The hon. member for Vancouver East (Mrs. Mitchell) in a question today to the minister of housing made reference to the province of Newfoundland and in the same context went on to make reference to the maritime provinces, which would indicate to the House and to Canada that the maritime provinces include the province of Newfoundland.

Newfoundland is a beloved part of Atlantic Canada. Besides that fact, although the party to my left, the NDP, make attempts to change everything else in our system, that should not give them the licence to attempt to change the geography of the country, simply because they have no members from that region. The fact is that Newfoundland is no more a part of the maritime provinces than is British Columbia, from which the hon. member springs, a member of the prairie provinces.

I would also add that, much to my amazement, the minister seemed to go along with this same sort of attitude and did not differentiate in his response.

[*Translation*]

Madam Speaker: I have a feeling the hon. member gave us details he was very pleased to give the House, but I fail to see any question of privilege. I have heard him, but I doubt that I should allow further discussion on the matter.

Business of the House

PRIVILEGE

MR. DOMM—ALLEGED DISCRIMINATORY TREATMENT SUFFERED BY HON. MEMBER FOR PETERBOROUGH

Madam Speaker: The hon. Secretary of State (Mr. Fox) gave me notice that he wanted to add information to that he has already given in reply to the question of privilege of the hon. member for Peterborough (Mr. Domm).

When the question of privilege was brought up, he indicated that he would come back to the House with additional information. He has already been heard once on that question. Bearing in mind that he indicated that he would like to come back to the House to give more information, I am quite willing to hear him again if the House agrees.

Some hon. Members: Agreed.

Madam Speaker: The hon. member for Nepean-Carleton.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the case in question involves the hon. member for Peterborough (Mr. Domm) who unfortunately cannot be here today because of another engagement. I wonder if the hon. gentleman would defer—certainly there would be agreement to defer—the information until the hon. member for Peterborough can be present. It may come about, as a result of what the minister says, that there would be an equal disposition of the House to allow the hon. member for Peterborough to speak. If we could, perhaps we should do it all at once. That would certainly be agreeable.

[*Translation*]

Madam Speaker: Would the hon. minister agree to postponing his statement?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I should be pleased to do so. My statement is really intended to make certain facts known from which stemmed the question of privilege of the hon. member for Peterborough (Mr. Domm), and to throw light on those circumstances, with a view to helping the Chair decide whether or not the question of privilege is valid. Accordingly, I should be pleased to accede to the request of the House leader of the opposition that my statement be postponed to a later date.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Nystrom: Madam Speaker, my point of order reverts back to House business, if I may. I would like to ask the government House leader whether or not he can tell us if he is still planning tentatively to have a special debate on the constitution amounting to one day or two days. He did not refer to that matter.

The other question I want to pose is: Regardless of whether or not there is a special debate on the constitution, is he in a position to say whether or not it is the intention of the government to table before the House any documents that might be relevant to us on the constitution which are now being used by the government in negotiations in Montreal and in subsequent negotiations in Toronto and Vancouver? It may be useful to us as parliamentarians to have access to those documents, particularly if there is no special debate in the House.

[*Translation*]

Mr. Pinard: Madam Speaker, the hon. member's suggestion to hold a debate on constitutional affairs or on current negotiations can be taken into consideration, but it will always be easy to deal with that matter either on an opposition day or on an adjournment motion if the opportunity arises this month.

As for his request to table documents, I cannot give him an answer at this moment.

[*English*]

Mr. Robinson (Burnaby): Madam Speaker, my point of order also relates to the question of House business. I would ask my question of either the President of the Privy Council or the Parliamentary Secretary to the Minister of Justice, who I see is in the chamber.

Earlier in this session we were given an indication that the government would be bringing in, before the summer recess, legislation with respect to the decriminalization of possession of marijuana. Could we have some indication from either the President of the Privy Council or the Parliamentary Secretary to the Minister of Justice on this question? I am sure that all parties would be prepared to give speedy passage to such a bill.

Mr. Robinson (Etobicoke-Lakeshore): Madam Speaker, with regard to this matter, I would point out to the hon. member that the Minister of Justice will be appearing before the Standing Committee on Justice and Legal Affairs next Monday, July 14. At that time I am sure he would be only too happy to answer the question raised by the hon. member.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

Fourth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cullen.

First report of Standing Committee on Privileges and Elections—Mr. Foster.

[*Editor's note: For text of above reports, see today's Votes and Proceedings.*]

[*Translation*]

PUBLIC SERVICE

TABLING OF EIGHTH REPORT OF ADVISORY GROUP ON REMUNERATION OF MANAGEMENT STAFF

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I should like to table, in accordance with the provisions of Standing Order 41(2), copy of the eighth report of the Advisory Group on Executive Compensation in the Public Service.

* * *

● (1520)

[*English*]

GOVERNMENT ADMINISTRATION

TABLING OF MEMBERSHIP OF CABINET COMMITTEES

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I undertook on Tuesday of this week to table, under the provisions of Standing Order 41(2), copies in both official languages of the membership of cabinet committees. I would be prepared to do that now, Madam Speaker.

* * *

EXTERNAL AFFAIRS

TABLING OF SIXTEENTH ANNUAL REPORT OF ROOSEVELT-CAMPOBELLO INTERNATIONAL PARK COMMISSION

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, according to requirements of Section 7 of the Roosevelt-Campobello International Park Commission I would table copies in both official languages of the sixteenth annual report of the Roosevelt-Campobello International Park Commission.

* * *

EXTRADITION ACT

TABLING OF TREATIES WITH FEDERAL REPUBLIC OF GERMANY, DENMARK AND FRANCE

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, in accordance with the requirements of section 7 of the Extradition Act, I should like to table in both official languages copies of three extradition treaties. Although these are separate documents, perhaps I might present them all at the same time.

The first is the Canada/Federal Republic of Germany Extradition Treaty signed at Ottawa on July 11, 1977. Second is the Canada/Denmark Extradition Treaty signed at Ottawa on November 30, 1977. The third is the Canada/France signed at Ottawa on February 9, 1977.

POINT OF ORDER

MR. KNOWLES—REQUEST MEMBERSHIP OF CABINET COMMITTEES BE APPENDED TO "HANSARD"

Hon. Stanley Knowles (Winnipeg North Centre): A point of order, Madam Speaker. In view of a certain amount of interest in the personnel of cabinet committees, I wonder if the document previously tabled by the Prime Minister could be made an appendix to today's *Hansard*.

Madam Speaker: Is it agreed?

Some hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

[*Editor's note: For document above referred to, see Appendix.*]

* * *

PRIVILEGE

MR. NIELSEN—NOTICE OF QUESTION TO BE RAISED

Hon. Erik Nielsen (Yukon): Madam Speaker, I wish to give the Chair notice that I feel that I have a question of privilege arising out of the proceedings which were reported upon today by the hon. member for Algoma (Mr. Foster) in presenting the first report of the Standing Committee on Privileges and Elections. I intend to raise it tomorrow after I have had an opportunity of studying the report.

* * *

REVISED STATUTES OF CANADA, 1970

REFERENCE OF PROPOSALS TO CORRECT CERTAIN ANOMALIES, ETC., TO STANDING COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move that the document entitled "Proposals to correct certain Anomalies, Inconsistencies, Anachronisms, Errors and other Matters of a Non-Controversial and Uncomplicated Nature in the Revised Statutes of Canada, 1970, and other Acts Subsequent to 1970", be referred to the Standing Committee on Justice and Legal Affairs.

I understand, after consultation, that there is no objection to this being done without delay at this time.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following

questions will be answered today: Nos. 32, 37, 38, 39, 40, 78, 79, 183, 267, 371, 568, 740, 809, 884 and 932.

[*Text*]

EXTERNAL AFFAIRS—SECURITY SERVICES

Question No. 32—**Mr. Cossitt:**

1. Was a statement issued by the press office of the Department of External Affairs on Friday, January 26, 1979, to the effect that the department's security services were being expanded and, if so, what are all the details of this expansion and for what reason was it considered necessary?

2. What will be the total estimated number of employees or personnel as a result of the expansion and what was the total before such expansion?

3. Did Mr. Eldon Black direct the expansion?

4. Were any of the duties that the department will perform under such expansion presently or previously performed, internally or externally, by the RCMP and, if so, what were they?

Hon. Marc MacGuigan (Secretary of State for External Affairs): 1. No such statement was issued. (There have, however, been two changes in recent years in the security area within the Department of External Affairs. The first was the appointment of Mr. E. P. Black as deputy under-secretary; this appointment, announced on August 3, 1978, did not involve any departure from existing responsibilities nor any expansion of the department's activities in this area. The second was the appointment in February, 1979, of a co-ordinator for emergency preparedness to ensure that the department's existing responsibilities in crisis situations are fulfilled in a co-ordinated manner. Both of these changes were designed to strengthen the ability of the Department of External Affairs to meet its existing security responsibilities. There has been no expansion of personnel apart from the appointment of the co-ordinator for emergency preparedness.)

2. N/A.

3. N/A.

4. N/A.

MR. VLADIMAR IVANOVICH GAVRYUSHKIN

Question No. 37—**Mr. Cossitt:**

1. Was the government, prior to May 22, 1979, aware that Mr. Vladimar Ivanovich Gavryushkin, consul general of the U.S.S.R. in Montreal, was the representative of the Central Committee of the Communist Party of the Soviet Union in Canada since 1972 and, if so (a) did he maintain contact with certain members of Parliament (b) has he been contacted by employees of the House of Commons (c) did he regularly meet with members of the Communist Party of Canada, representatives of certain trade unions and representatives of the Communist Party of Quebec?

2. Is the government aware that Mr. Gavryushkin was and/or is accompanied on many of his activities by either identified or suspected Russian intelligence service officers?

3. Was the government made aware of these facts prior to May 22, 1979, under IAC brief No. 7/76 and, if so, what action was taken, if any, in this regard?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The government is not aware that the activities of Mr. V. I. Gavryushkin ever went beyond the bounds of internationally accepted norms of behaviour for diplomatic and consular officials.

MR. A. N. POSTNIKOV

Question No. 38—**Mr. Cossitt:**

1. Was a visa granted in December 1975, to A.N. Postnikov, a supposed Russian technical expert, to visit Canada?

2. Is Mr. Postnikov designated in security records as a known member of the chief intelligence directorate of the Soviet ministry of defence commonly referred to as the GRU?

3. Was the government aware, at the time the visa was granted, whether or not Mr. Postnikov had been declared *persona non grata* by the government of India in the city of New Delhi in 1958, and, if so, for what reason was he admitted to Canada?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes.

2 and 3. It is considered that it would not be in the public interest to comment on questions of this nature.

MR. RYSZARD TRYC

Question No. 39—**Mr. Cossitt:**

1. To the knowledge of the government, was Mr. Ryszard Tryc an accredited Polish diplomat in Canada and, if so (a) on what date did he arrive in Canada (b) what position did he hold with the Polish embassy (c) was he found dead and, if so (i) on what date (ii) in what location (d) was a post-mortem performed and, if so (i) by whom (ii) in what place (iii) what was the cause of death (e) was any Canadian doctor, specifically a Canadian coroner involved in the case and, if not, for what reasons?

2. What became of Mr. Tryc's remains and if they were returned to Poland, by what means were they returned and on what date?

3. To the knowledge of the government, was Mr. Tryc in any way associated with any intelligence service of any country and, if so, what are the details?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. Yes. (a) September 15, 1978; (b) first secretary; (c) yes: (i) on July 20, 1979, (ii) in his office; (d) yes: (i) by Coroner J. A. Thomson, (ii) in Ottawa, (iii) a massive stroke; (e) yes.

2. Mr. Tryc's remains were returned to Poland by air on July 24, 1979.

3. It is considered that it would not be in the public interest to comment on questions of this nature.

LISTENING DEVICES

Question No. 40—**Mr. Cossitt:**

1. Have any electronic listening devices or any articles whatsoever commonly referred to as "bugs" been found in any Canadian embassy in Eastern Europe including the Soviet Union within the past ten years and, if so (a) on what dates (b) what was the location of each embassy (c) what was the nature of the device found (d) what was the length of time it was estimated to have been there (e) the exact location in the embassy where it was found (f) in any case, was it discovered who placed the device and, if so, what was the identity?

2. Was a commonly called "bug" found in a vacuum cleaner in the Canadian embassy in Moscow at any time and, if so, what are all details?

Hon. Mark MacGuigan (Secretary of State for External Affairs): It is considered that it would not be in the public interest to comment on questions of this nature.

THE INSTITUTE OF THE U.S.A.

Question No. 78—**Mr. Cossitt:**

1. Was the security committee of the cabinet or any other person whatsoever, prior to May 22, 1979, aware of the existence of an organization in Moscow called "The Institute of the U.S.A. and Canada" and that the Canadian division was founded in 1972, and that the director of the institute was Mr. Georgiy Arbatov?

2. Did Mr. Arbatov visit Canada in 1975 and, while here, did he meet with (a) the Prime Minister (b) the then minister of external affairs (c) various Canadian business executives (d) noted members of the academic community (e) senior members of the Public Service in positions where they could influence Canadian government policy and, if so, for what reasons?

3. Was the government aware, prior to May 22, 1979, that Mr. Vladimar Ivanovich Gavryushkin, consul general for the U.S.S.R. in Montreal, made regular reports to Mr. Arbatov on certain Canadian matters?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The facts referred to were publicly available before the date mentioned.

2. Dr. Arbatov visited Canada early in 1975 at the invitation of the Department of External Affairs, who arranged for him to meet the people indicated.

3. It would not be unusual for officials of the Soviet government to communicate with each other on matters of mutual interest.

CUBAN SUBVERSIVE AND COVERT ACTIVITIES IN THE WESTERN HEMISPHERE

Question No. 79—**Mr. Cossitt:**

1. Is there an IAC brief No. 28/75 entitled "Cuban Subversive and Covert Activities in the Western Hemisphere" and, if so, on what date was it compiled?

2. Was the brief compiled by the security service of the R.C.M.P. and others and, if so, what is the identity of the other groups assisting in the compilation?

3. Did the government apprise the people of Canada of such subversive activities and, if not, for what reason?

4. Will the government consider making a statement on the subject?

5. Will the government, under a freedom of information policy, make known to the Canadian people the activities, contrary to the Canadian democratic process except where such disclosures would have considerable serious harm to a security operation in progress?

Hon. Mark MacGuigan (Secretary of State for External Affairs): It is considered that it would not be in the public interest to comment on questions of this nature.

FARM CREDIT CORPORATION

Question No. 183—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Farm Credit Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Eugene Whelan (Minister of Agriculture): Farm Credit Corporation replies as follows:

1. (a) 1977-78 — $181,948,860 total revenue
$ 991,002 net income
(b) 1978-79 — $212,098,327 total revenue
$ 2,287,438 net income

Order Paper Questions

2. (a) 1977-78 — none
1978-79 — none

(b) 1977-78 — $297.4 million
1978-79 — $266.4 million

(c) Capital advances received, 1977-78 — $11.5 million
Capital advances received, 1978-79 — $10.3 million
There was no write-off.

P.E.I.—FRENCH LANGUAGE SCHOOLS IN SUMMERSIDE

Question No. 267—**Mr. Herbert:**

How many (a) elementary (b) high schools in Summerside, P.E.I. (i) are entirely French language schools (ii) include full courses in the French language (iii) have French language immersion courses?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): The following information was obtained from the P.E.I. ministry of education.

In the Summerside area there are three elementary schools, grades one-six; two junior high schools, grades seven-nine; one senior school, grades ten-twelve. None of these schools is exclusively French, none has full courses in French other than in immersion. Immersion programs began in two of the three elementary schools three years ago and have now reached the grade three level where 80 per cent of the instruction time is in French (100 per cent in grades one and two). This is a progressive situation and immersion will be offered at the junior high school level when appropriate.

Within a distance of 15 miles west of Summerside in the Evangeline district, one elementary school and one high school are entirely French language schools.

HEALTH AND WELFARE—PERSONS IN THE SX CLASSIFICATION

Question No. 371—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of National Health and Welfare (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979 and, if so, what effect did such a change have on the number of SX's employed?

Hon. Monique Bégin (Minister of National Health and Welfare):

1.
(a) 50;
(b) i) 10;
ii) 4.

2.
(a) 56;
(b) i) 13;
ii) 3.

3. Yes. The Fitness and Amateur Sport Branch was transferred to Secretary of State on June 5, 1979. Four employees in the SX classification working with the Fitness and Amateur Sport Branch were transferred to Secretary of State.

MR. ALEXANDER S. ERESKOVSKY

Question No. 568—**Mr. Cossitt:**

1. (a) Was the government notified by the Soviet Union that it desired to replace Mr. Vladimar Ivanovich Gavryushkin, consul general for the Soviet Union in Montreal and, if so, on what date (b) was it known to the government at the time that Mr. Gavryushkin was a representative of the Central Committee of the Communist Party of the U.S.S.R. in Canada and was it a matter of record in security files that he was a suspected or confirmed Russian intelligence agent?

2. Did Mr. Alexander S. Ereskovsky replace Mr. Gavryushkin as consul general in Montreal and, if so (a) on what date was his diplomatic visa approved (b) on what date did he arrive in Canada?

3. Were security checks made on Mr. Ereskovsky prior to the granting of his visa and, if so (a) who made them (b) were checks made with the United States authorities in Washington?

4. Has he been labelled as a suspected intelligence officer in the files of any Canadian security service?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. (a) The Canadian embassy in Moscow was informed on December 18, 1979, that Mr. A. Ereskovsky would be appointed Soviet consul general in Montreal; (b) Mr. Gavryushkin was the dully accredited representative of the government of the U.S.S.R.

2. Yes. (a) 18 January 1980; (b) 6 March 1980.

3. Mr. Ereskovsky's visa application was processed in the normal manner. Visa processing is normally carried out in consultation with the security authorities.

4. It is considered that it would not be in the public interest to comment on questions of this nature.

COAL—MINTO AND CHIPMAN AREAS—NEW BRUNSWICK

Question No. 740—**Mr. Corbett:**

Is it the intention of the Department of Energy, Mines and Resources to aid in the extraction, production and/or marketing of coal from the Minto and Chipman areas of New Brunswick and was financial assistance contributed for this purpose and, if so, in what amount and in which sectors?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of State, Mines): The Department of Energy, Mines and Resources reports as follows: No. EM and R has no plans to aid in the extraction, production and/or marketing of coal from the Minto and Chipman areas of New Brunswick at the present time. Over a five-year period commencing in 1968 the Government of Canada provided $19.6 million to rationalize production in the Minto coalfield.

COMPUTERS

Question No. 809—**Mr. Beatty:**

As of May 5, 1980, were the identities routinely and automatically logged by the host software of all individuals who attempt to gain access to (a) CPIC (b) computers used for storage or processing of income tax returns (c) computers used for storage or processing of information concerning (i) old age pensions (ii) Canada pensions (iii) unemployment insurance claims (iv) family allowances (v) Canada Manpower?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Solicitor General and Treasury Board as follows: (a) Yes, (S.G.); (b) and (c) Yes, (T.B.).

POSTMASTER GENERAL—LETTER FROM CONSTITUENT OF LEEDS-GRENVILLE

Question No. 884—**Mr. Cossitt:**

1. Did the Postmaster General receive a letter from the hon. member for Leeds-Grenville dated April 3, 1980, requesting information concerning the reduction in the number of months per year of postal service at Chaffey's Locks, Ontario, and, if so, did he answer the letter and (a) if so, on what date (b) if not, for what reason?

2. Did he write directly to the constituent making the inquiry without advising the hon. member for Leeds-Grenville of the department's decision not to assist the box holders and, if so, for what reason?

3. Is it government policy to show equal courtesy to members of Parliament who are not members of the Liberal party in replying to inquiries they make and, if so, for what reason was such courtesy not shown in this case?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

1. Yes;
   (a) No;
   (b) For the reason that a copy of the original letter to the constituent sent May 6, 1980, was sent to the hon. member.
2. Yes, the Postmaster General wrote directly to the constituent making the inquiry but not without advising the hon. member.
3. Yes.

   There was no intention of being discourteous to the hon. member for Leeds-Grenville. As the constituent's letter preceeded the hon. member's letter by a few days, the latter was recognized as a follow-up and the response given to the constituent was made available to the hon. member.

CF101 VOODOO FIGHTERS

Question No. 932—**Mr. McKinnon:**

1. Was a contract let to repair and overhaul spare parts and accessories for CF101 Voodoo fighters at a cost of $3,837,000?

2. How long a period is envisaged for the future use of the spare parts and accessories?

3. How many Voodoos does Canada plan to use in the future and for how long?

4. Is there any program contemplated (a) for repairing and overhauling (b) to extend the life of the Voodoos and, if so, what is its estimated cost in 1980 dollars?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes.

2. The use of spare parts and accessories is planned until phase-out of the aircraft.

3. Fifty-five until gradual phase-out starting about 1982.

4. (a) Yes. There is a continuing depot level inspections and repair program scheduled to terminate in 1981. In 1980-81 this program will cost $3,837,000.

(b) No.

[*English*]

Mr. Collenette: While on my feet, I do not usually give a running commentary on questions asked of me, Madam Speaker, about the presentation of these questions, but in all courtesy I think I should point out to the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) that the Prime Minister (Mr. Trudeau) has just tabled part of the answer sought in question No. 970, and the balance will be brought forward next week, probably on Wednesday.

The reply to the motion of the hon. member for Yorkton-Melville (Mr. Nystrom) for the production of papers No. 16 and to questions Nos. 734 and 735 will also be brought forward next Wednesday.

Motion for the production of papers No. 2 in the name of the hon. member for Leeds-Grenville (Mr. Cossitt) is being worked on and we will try to have it ready before the adjournment.

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

Hon. Pierre Bussières (for the Minister of Finance) moved that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Madam Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Bussières (for Mr. MacEachen) moved that the bill be read the third time and do pass.

He said: Madam Speaker, I will be very brief as I do not want to take up too much of the House's time, but I wish to remind hon. members of the purpose of this bill. It is to give the government a borrowing authority for $12 billion. With respect to this, during the second reading debate as well as the debates of the standing committee of the House, many criticisms were heard and I wish to take this opportunity to point out some aspects of the government's policy. First, this request for a $12 billion borrowing authority can lead some to believe that the government has decided not to continue its fight against inflation. For the benefit of hon. members, I would like to repeat that the government still considers the fight against inflation a priority. I would also like to reaffirm the government's wish to reduce its deficit in an orderly manner and by that, we mean in a way which takes account of all situations.

For example, recently some people have expressed their fears because of the form of recession experienced by our neighbours to the south and suggested that the government might examine ways of increasing some expenses to ward off the negative aspects of this recession. This wish to reduce the deficit in an orderly way does in fact take into account the global economic situation and also a wish to continue the programs designed to help the have-nots in our society and those who might be hardest hit by the current situation.

I would also like to point out that during the standing committee's discussions a proposal was made by the hon. member for Broadview-Greenwood (Mr. Rae) which was also seconded by members of the Conservative party to the effect that the government's borrowing authority should be reduced from $12 billion to $4 billion. Of course, the government objected to such a motion. This motion was linked to the idea that the government should submit a budget and that we should not give it a borrowing authority until it does so even though the government might, after submitting its budget, make another request to extend its borrowing authority up to $12 billion, the need for which it would have explained in the budget.

● (1530)

I would like to remind the House that in April, as soon as he had an opportunity to do so, during the debate on the Address in Reply to the Speech from the Throne, the Minister of Finance (Mr. MacEachen) took that opportunity to indicate to the House and the people of Canada the requirements of the government for fiscal year 1980-81 and say roughly how much he expected in terms of receipts and expenditures, and justify in this way this request for borrowing authority before the House.

Recently, the government had to face limitations in the implementation of its public debt program because the borrowing authority of $2.9 billion that was available at the beginning of the fiscal year had nearly been all used up. That is why the government needs this additional borrowing authority to continue its treasury bills and negotiable bonds program. The borrowing authority will also have to be sufficient to face the Canada Savings Bonds program when sales reach their peak in November.

Normally, the major part of the sales of Canada Savings Bonds occurs in November while the following months are characterized by net redemptions of those bonds. In the last three years, for example, net sales of Canada Savings Bonds in November totaled on the average $2.1 billion. During the first three months of the current fiscal year, the government raised $2.3 billion of new money by issuing treasury bills and $2.5 billion through the issuance of negotiable bonds. Obviously, to pursue our public debt program, a borrowing authority of $4 billion at this time would not be enough to cover the requirements of the next four or five months.

The previously mentioned issuance of negotiable securities was made possible by redemptions of Canada Savings Bonds totalling some $1.8 billion which actually increased the borrowing authority available to the government. More generally speaking, the proposed amendment would not have allowed the government to carry out a healthy public debt program and to implement it so as to benefit to the fullest from market opportunities.

When the hon. member for Broadview-Greenwood moved his amendment, he suggested that he would like to see—I am sorry, it was the hon. member for Mississauga South (Mr. Blenkarn), I believe, who moved an amendment in committee. I hope that the hon. member will excuse me, Mr. Speaker, since he was the one who moved the amendment and he received the support of the hon. member for Broadview-Greenwood when the vote was taken. I want to make this clear and to ask the hon. member to excuse me and thank him for having pointed out my mistake.

However, as I remember it, during the discussion—I believe that the hon. member for Mississauga South has a good memory and that he will be able to correct me once again if need be—the hon. member for Broadview-Greenwood had, for his part, indicated that he would like to see a more orderly system that would enable the government to introduce its borrowing program for the next fiscal year at the same time as its budget; in other words, we would have a budget and then the government would ask for the borrowing power required for the year following the tabling of the budget. I must say to the hon. member that I agree completely with this suggestion and that the government intends to follow this procedure in the future.

On the other hand, it is easy to understand our present situation. We are all aware of the successive elections, and I would like to emphasize that if there is a budget next fall, it will deal to a greater extent with the next fiscal year, 1981-82. This will really be the case as concerns expenditures and revenues. Therefore, this fall, in view of the amendments made to this year's expenditures, the emphasis will be placed to a greater extent on the spending projects of the government for 1981-82 and the following years.

As for revenues, the tax changes will have only a very limited effect on this year's revenues. The first effects on one full year will therefore be felt next year. This will be the case particularly in view of the amendments to personal income tax concerning the holding back of payments, which normally do not go into effect before the next calendar year. It would therefore be appropriate to obtain the borrowing power for 1981-82 following a budget which might be brought down in the fall. The government is willing to consider this procedure if it can result in more orderly planning and consideration of these important financial matters. However, it would seem that any attempt to obtain another borrowing power for this fiscal year following a budget in the fall would give the impression of wasting the time of Parliament and could even represent certain risks for the financial management of the government, as I said earlier.

Consequently, the government opposed the proposal of the hon. member for Mississauga South and maintained its original decision to request this borrowing power of $12 billion which covers the 1980-81 fiscal year.

I did say at the beginning of my comments, Mr. Speaker, that I did not want to abuse the time of the House. I know that other members would like to make some comments and I shall therefore be content with these few words to give other members the opportunity to speak in this debate and to allow the House to be as efficient as the standing committee has been and to conclude third reading of this bill very early today.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I thank the minister for his kind words regarding the amendment that was introduced on this bill in committee. I must say that I am glad the minister received something out of the committee meeting. On the other hand, we in the opposition received verbiage. We received no promises of a budget date. Indeed, the hon. member for York-Peel (Mr. Stevens) asked the Prime Minister (Mr. Trudeau) for a budget date today. He even suggested October 10, but the Prime Minister could not oblige in that connection.

In committee I asked the minister if he could introduce a budget by September 15. He threw up his hands. I asked him if he could do it by October 1 and he threw up his hands again. I asked him if he could do it by the end of October. He said that he did not know but he hoped so. He said, "In the fall". I want to say right now to the government and to the minister that most Canadians regard winter as coming when the snow flies. The budget had better be out before the snow flies, and I remind the minister that we are not talking of the snow flying

in Victoria, British Columbia. We are talking of what happens in western Canada and what happens in some of the ridings in northern Canada. The fall comes pretty early there. We want a budget because the people of Canada want to know where we are going.

As the hon. member for York-Peel pointed out earlier today, this country has not had a proper budget, a proper plan, a proper direction where the statutes proposed were passed by this House, for the past 33 months. It has not been a question of election after election; it has been a question of the impossibility of this government getting down to brass tacks. Even in the three months that we have been sitting in this Parliament we have not been presented with the budget measures involved in the budget statement of November, 1978 or in the statement made by the Minister of Finance (Mr. MacEachen) on April 21 last.

Mr. Chénier: What about your budget?

Mr. Blenkarn: We have had nothing but drift, indecision and incompetence from this government. This government's attitude is to ask for a Chargex card so that it can go out and spend money. I say to you, sir, that this government knows how to spend money. It does not know how to budget or to control money, but this government knows how to spend it.

The trouble with this bill is that it gives the government a blank cheque; it allows it to go out and spend $12 billion. This is more money than the ordinary person can even begin to contemplate. The spending of this federal government this year will be in order of $60 billion. The deficit this year will be in the order of $14 billion. We are not sure because they are not sure. The debt outstanding right now according to Bank of Canada figures for July 5 is $74.489 billion. It keeps going up and up. It is forecast that it will be very close to $84 billion by the end of this fiscal year. Where are we going? That is what the people of Canada and this party want to know. We must have some direction from this government.

● (1540)

Total government spending this year would be enough to buy a new home valued at $70,000 for every household in British Columbia. The interest that this government is going to spend will be enough to buy every household in Calgary a new house valued at $70,000. The interest is going to cost every taxpayer $1,187. That interest alone means that the entire income tax of every person who pays personal tax and earns $20,000 a year or less will go to pay just the interest on the debt that this government has incurred.

What we have from this government is nothing but pious hope that they can somehow save a billion. That is what the Minister of Finance said in his April statement. Somehow we will get a blender in terms of the oil price agreement. Somehow we will make up some money somewhere and with that blender and pious hope maybe we can somehow, some day, reduce the deficit. The minister said in committee and I quote:

> In my April 21 statement I said that it was our intention to reduce the deficit as jobs and economic growth resumed in the economy and that is my intention. I think I made it clear yesterday that in light of the current economic circumstances, with a weakening of the Canadian economy that it is my view this year may not be the year to attempt to cut the deficit.

In the election campaign the Prime Minister said it was their intention over time to reduce the deficit. How much time? When is the time up? When do we get the direction? It will never be the right time for this government to balance its budget and reduce its deficit. It will always be jam tomorrow, never jam today. "Alice in Wonderland" would feel at home in Canada with this government.

The whole question of where we are going came up in committee. I want to read into the record a question the hon. member for York-Peel addressed to Dr. Stewart, the deputy minister of finance. I quote:

> I take it then when you have reiterated the statement that expenditures will not exceed the growth of the GNP that indicates a change of policy from Mr. Crosbie's position where he contemplated a zero growth as far as federal government spending was concerned, you in effect are saying as long as you do not go up any faster than inflation plus real growth you are happy—over a three or four year period your expenditure level could easily end up 10 or 12 per cent higher than was anticipated over the Crosbie budget?

Mr. Stewart replied:

> I guess that is the consequence, sir.

They have no intention of doing anything but spending more, building a larger and larger bureaucracy, complicating the affairs of Canada more and more and creating more and more wasteful programs. I draw to the attention of hon. members remarks made by Cliff Pilkey, president of the Ontario Federation of Labour, reported in the *Toronto Star* of June 21 last, headed "Is our economy managed or is it mangled?" I quote:

> If governments "simply throw the money into the air" in their attempts to improve the wishy-washy economy, the results might be as good as those now obtained . . .
>
> The attempt to run economies in the closely supervised way in which we run corporations and personal affairs has had many crashing failures. Yet we demand that governments keep trying.
>
> The disasters are well-documented. In some cases, industrial and employment support programs laid out $4,000 or more annually for each job preserved.
>
> This week, a couple of economists told the Canadian Council on Social Development that the nation spends billions of dollars every year on income security programs which mostly just reshuffle money within the middle class. Many other studies discover much the same thing.
>
> What's the point? Think of the rake-off needed for administration and operating costs of moving money around to little purpose. More important, effort is diverted from necessary and productive programs.

This government operates very much like Parkinson's law—"expenditure rises to meet income". In the case of this government, we are going to see expenditure rising to meet borrowing authority. This Parliament has been manœuvred into approving borrowing for undisclosed, non-budgeted and hypothetical expenditures. We are being forced to approve today a pig in a poke with no real explanation, notwithstanding what the minister just said. Notwithstanding the vague outline given to us, what we had was a non-budget, a Mickey Mouse budget. In fact, when my secretary was imprudent enough to ask for a copy of the budget of the Minister of Finance of April 21, the minister's staff said it was not a budget. It certainly was not.

We are being asked to give this government carte blanche. Maybe it cannot reach an oil pricing agreement. Maybe it is just a convenient way of copping out of its responsibility to come to grips with the problems of Canada. The government that was in office before this government had this House of Commons in session for 44 days and produced a budget. This Parliament has been in session since April 14. Monday will be July 14, three months later, and we still have not had a budget. The last government was criticized for not producing a budget until December.

The six-month period that this government will be in office will be up on September 15. This government, which was so great at calling for the defeat of the former government, cannot tell us that it will produce a budget by September 15, six months after taking office. All we have received from this government so far is a Mickey Mouse financial statement. That was on April 21. The important business of the people of Canada conducted in this House of Commons is to make sure that the financial affairs of Canada are in order. The principle job of the Government of Canada is to operate and manage the economy of this country. The only economic statement this Parliament has received to date is the Mickey Mouse statement bootlegged in, as the hon. member for Brampton-Georgetown (Mr. McDermid) says, during the Speech from the Throne. It is the only thing we have received in this House of Commons, which has been sitting for nearly three months—three months on Monday.

● (1550)

Mr. Paproski: Shame!

Mr. Blenkarn: Why $12 billion? Well, $12 billion happens to be a nice round figure—a billion dollars a month. That is the attitude of the government. It is a nice round figure, a billion here and a billion there—

An hon. Member: That's $23,000 a minute.

Mr. Blenkarn: I asked the Minister of State for Finance (Mr. Bussières) in committee how much money was needed before the Minister of Finance brings down his next budget. Here is what the minister said: he replied: "Mr. Chairman, that is a very hypothetical question."

Mr. Paproski: A great answer!

Mr. Blenkarn: A hypothetical question, he called it. Mr. Speaker, this is a hypothetical government. This is a government which was prepared to say it would produce some kind of financial accounting in the fall, perhaps in October.

Mr. Paproski: When things are not so good in Inverness, Nova Scotia.

Mr. Blenkarn: One of the things I want to do is to compare some of the costs associated with that statement made by the Minister of Finance on April 21 and the budget which was defeated on December 13 last. When you compare those budgets you will find in the non-budgetary advances a difference of $500 million. In other words, the statement produced by the Minister of Finance, the April 21 statement, contemplates the Government of Canada having a non-budgetary expense of only $600 million, whereas the Crosbie projection of December allowed for non-budgetary expenses amounting to $1,100 million. The difference is $500 million. Where was that extra money going? The extra money the Crosbie budget was spending—this was extra spending—was for energy investment purposes to help make this country self-sufficient in energy.

I want to say that the amount provided in the Crosbie budget was not sufficient, but this minister, when he says we are going to need $11.7 billion, makes no provision whatsoever for energy investment. If he had made the same provision for energy investment—which he has not made—we would have to borrow even more money, even more than the $11.7 billion. Anyway, the hon. gentleman does not know anything about energy investment because he does not really believe in self-sufficiency in energy; the government has no policy with regard to it at all. But if you took it the other way, and if you looked at the Crosbie budget and said: "Well, if you did not spend the money on oil self-sufficiency, what would you have to borrow?", then all you would have to borrow would be $7.8 billion, nearly $5 billion less than is required by members sitting across the way.

One of the problems which arises in connection with this borrowing authority legislation was the subject of discussion in committee, but I think we should explore it again this afternoon. When the House passes a borrowing authority bill of this nature, the question arises: just how much money can a government borrow? At the present time we are at the top limit of borrowing ability. Mr. Handfield-Jones, the government witness in the committee hearings yesterday, indicated that the best the government could do was to place a new bond issue every six weeks, and the maximum the government has been able to borrow in fresh money on the market is about $1.25 billion every six or eight weeks.

Mr. Paproski: And the sports minister wants to issue bonds for sport.

Mr. Rae: Handfield-Jones did not say that.

Mr. Blenkarn: The hon. member says he did not say that. If he will look at the record he will find that I am correct.

Mr. Rae: I was there.

An hon. Member: That does not mean anything.

Mr. Blenkarn: If this bill passes, the government could go to the market and attempt to borrow fresh money, about $1.25 billion. It might be able to go again in September to do so. But if we look at the borrowing requirement we begin to wonder where they are going to get it all. The government's usual program is to go to the people of Canada in November of every year and ask them to buy Canada Savings Bonds. We have all seen the advertising which has been put out in connection with these issues. It is too bad that the Minister of

Consumer and Corporate Affairs (Mr. Ouellet) is not here because this year I will expect him to discipline more effectively the advertising agency which tries to sell these bonds; some of the promotion which has gone on in the past would put any other person advertising in like fashion in jail.

Be that as it may, the effect of the government's handling of Canada Savings Bonds has been that purchasers have redeemed about $2 billion worth since the beginning of this fiscal year. In the year 1979-80 there was a total reduction in the value of Canada Savings Bonds held by the people of Canada amounting to $1.25 billion. It may well be that, having seen how Canada Savings Bonds are managed, the people of Canada are perhaps a little smarter than some of the market people buying market bonds, and are saying to themselves: Do we really want to trust this government with our money?

Where has the debt been contracted? We are now up on treasury bills to $18.6 billion. As of March 31, 1977, just three years ago, there was only $8.2 billion in treasury bill debt. That is the way things have been going. The market has been able lately, perhaps, to absorb ordinary government commercial bond debt but it has not always been able to do so, and it is very possible, with the level of borrowing the government is contemplating, that we might get into a situation in which the market cannot absorb the debt. Indeed, as reported on June 25 last, the Bank of Canada disclosed that the bank had to increase its treasury bill holdings on that date by $459.3 million. In that week alone, the government had to increase the money supply by a total of $625 million. This was done by the bank, in effect, just printing currency.

• (1600)

As we go along on this and take a look at what the Bank of Canada has to hold in government securities year over year, we find that as of the last statement from the Bank of Canada for this year the Bank of Canada holds $2.368 billion more in government debt than it did a year ago. That situation cannot go on if we intend to have a solvent and sound currency.

The only thing that can be done somewhere along the way in order to solve our borrowing requirements and to get our house in order is to look at certain tax changes. The government has to try something else. If it is going to continue with its over-spending, it is going to have to continue with over-taxing, and so it has to look at certain other places from which to get revenue.

There are several things the government could do. It could do what was suggested in the Crosbie budget, that is, to put an excise tax on gasoline. That is a method of raising money, keeping debt down and making the consumer of gasoline or oil products pay the cost of imported oil. It could do that kind of thing. However, it promised not to do that, so it will not do that.

The government could go to the country honestly and increase the income tax, but it appears it does not intend to do that either. One of the real options it is looking at is getting rid of the indexing in the Income Tax Act. The elimination of indexing could raise money as surely as a tax increase but be less visible. Inflation would do all the work and take all the blame. That is what the *Edmonton Journal* said on June 16, 1980, and other newspapers reported the same thing. This country knows that the only winner in inflation, if there is no indexing in the personal income tax scheme, is the government, and what a beautiful way of increasing taxes!

That is what the government intends. That is one of the reasons we insisted in committee that we receive from the Ministry of Finance a table as to what happens to the average, typical married taxpayer with two children. This year, without indexing, the taxpayer who earns $15,000 would pay $240 more income tax. That is nearly $5 a week or $20 a month. The taxpayer who earns $25,000 would pay $460 a year more. Some say indexing only helps the rich, but if I earned $100,000 a year—that is four times $25,000—I would pay only $1,300 a year more.

To the well off indexing is not a big deal, but to the ordinary Canadian who works and pays the freight in this country, indexing means a great deal. It means at least a 10 per cent across the board tax increase for him and, indeed, more. If that is the kind of program the government is going to eliminate—whatever fairness there is in the tax system—in order to raise revenue to pay for the spending and lack of direction and concern of the government, then that program will be opposed by this party and, I am sure, by our friends in the New Democratic Party.

A number of other issues were raised in the committee. My friend, the hon. member for Broadview-Greenwood (Mr. Rae), raised the point that in many cases the provinces have a great deal of money and that their revenues, particularly those of the western provinces, are burgeoning. Three of our western provinces now have heritage funds. They do not even need all their revenue, yet equalization continues to be paid to the province of Saskatchewan. I only single out that province because it can afford a heritage fund, but it can also get equalization because nothing has been done with respect to bringing that problem into perspective.

Back in the thirties there was a great depression on the prairies, and hon. members will recall that we passed the Prairie Farm Rehabilitation Act. I wonder if the prairies will ever be rehabilitated. When a person is put away for life, he normally is paroled after 25 years; but it has been 45 years since this act has been in place, and we are still spending gobs of money on rehabilitating the prairies. We are spending some $30 million to $35 million a year under that program, most of it going to Saskatchewan but a good part going to Alberta as well.

That is the kind of thing I wonder about when we have a government here which is short of cash, which has to go out on to the market to borrow and which strains the financial resources of the country. Some provincial governments have a lot of wealth, and I wonder why the federal government does not come along and say, "Let us rearrange some of the responsibilities and things which are happening".

I mentioned in committee the question of the Canada Mortgage and Housing Corporation. That corporation lost

half a billion dollars last year, it is likely to lose three-quarters of a billion dollars this year, yet the same management and the same team which was running that corporation is still running it, and its budget this year will give it $1.242 billion. They do not know where they are going and they do not know what they are doing with their repossessed houses, and we do not have a new program from the minister.

A new look at the thing has not been taken, despite studies which have been made. If we were to examine some of those programs, we might be able to reduce some of the costs, overhead, waste and duplication in government, and maybe we could get back to the borrowing requirements of the December budget and not the kind of borrowing requirements, for no investment, which are needed by this government at this time.

I want to repeat that it has been 33 months since we have had a budget passed by the House. I want to repeat the statement made by the Minister of Industry, Trade and Commerce (Mr. Gray), who was the finance critic of the government party when the government was in opposition, that no borrowing authority bill should be passed without a budget. That is the case.

I want to say that Parliament has had the obligation, since the time of King John and Magna Carta, to prevent taxation without consultation, and borrowing is a form of taxation. When we allow a government to borrow, we allow that government to pay interest on its borrowings. That becomes a compulsory requirement for the government, and so it is a form of taxation. This bill represents $12,000 million in further spending.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, the question of the government's requesting some $12 billion in borrowing authority gives us an opportunity to assess where we are going in our national accounts. It also gives us the opportunity to ask ourselves certain questions. Why do we borrow money? What is the purpose of this borrowing? What is wrong with the economy and the system of accounting the government has at the moment?

We face an economy which is in recession. Unemployment is going to be up over 9 per cent this year. Inflation will be up over 10 per cent. Real personal disposable income will be down and over-all growth in economy will be down.

Unemployment and inflation are the obvious challenges facing Canadians, but underlying structural problems in our economy are even more severe. We imported $17 billion more in finished goods than we exported. We ran a deficit of some $9.6 billion in our service account in 1979. Over the last 33 years we have exported more than $48 billion in interest and dividend payments out of the country.

● (1610)

The point is not simply, as the hon. member for Mississauga South (Mr. Blenkarn) said, that we need a budget. Obviously we need a budget. We have needed one since we did not get one from his colleague, the hon. member for St. John's West (Mr. Crosbie). We have needed one since we did not really get one in November, 1978, when the current Minister of Justice (Mr. Chrétien) was minister of finance. We have not had an indication from the government as to where it thinks we should be going since April, 1978.

It is not simply that we need to have a budget in the shorter term; it is that we need an indication from the government that it understands the implications of budgets in the solution of our longer term problems. We need budgets which guarantee, in co-operation with our provinces, that our renewable resources in fact are renewed; that our forests and trees in fact are regenerated so that they can continue to be used; that our fishing supplies and tremendous resource in the fishing field on the east and west coasts are not depleted and destroyed by overuse; that our grain on the prairies can be grown and grown again, taken to the ports and exported. We need to ensure that we transform and refine more of our resources on which we are so dependent here in Canada.

There is much talk of getting off oil. I think it is just important that we in a sense get off the notion that it is solely the export of our natural resources which will provide for the future of our country. Just as it is true that "A barrel of oil sold is a barrel of oil gone forever", to quote the words of the Saskatchewan minister of finance, Mr. Tchorzewski, it is also true that a ton of ore sold is a ton of ore gone forever, a ton of uranium sold is a ton of uranium gone forever. Those resources are being depleted as they are sold. We need to develop an industrial, transport and energy base which is sufficient to provide for the employment of Canadians today and in the future. In fact we need to create a diversified, Canadian-controlled mature economy. We have a long way to go before reaching that goal.

Finally, I think we need a budget which recognizes that the problem and challenge of poverty in Canada and the rest of the world of which we spoke about today in committee is just as important now as it was in the 1950s and 1960s, and as it was in the 1930s. We have an orthodoxy which tells us why it is we cannot take the investment decisions that might lead us out of the current economic morass in which we find ourselves. There is a Liberal-Tory orthodoxy. It was expressed timidly by the minister. It was expressed vividly by the Prime Minister (Mr. Trudeau) today and by the minister responsible for housing. It was expressed in a slightly more brazen and bald form by the hon. member for Mississauga South, as we might expect. But still the underlying intellectual, if I may use that word to describe it, roots of that orthodoxy are exactly the same; that is, our budgetary deficits are responsible for and contributing to the inflation we are suffering from, that they are so immense we cannot possibly either stimulate the economy or provide for the longer term solution of our problems. In this view it is monetary and fiscal restraint alone which are essential in order to restrain the excess demand which is the main cause, in this view of the economy, of inflation.

In this conventional wisdom, as it is frequently expressed by the hon. member for York Peel (Mr. Stevens) and expressed in a slightly more pallid manner by the Prime Minister, borrowing and debt are evil and wrong. It is what I call a Calvinistic

or theological view of the economy which bears no relationship to the hard realities of the economic world. The fact of the matter is that the question is not: Is borrowing good or evil?

The question is: What is the purpose of the borrowing? There is a distinction between borrowing in order to invest for the future and borrowing simply in order to spend. Everybody understands that. The average Canadian understands the difference between borrowing in order to buy his house and borrowing in order to pay debts. There are very few Canadians who can afford to buy a house without having to borrow. That is what a mortgage is. Nearly $14 billion worth of mortgages were arranged last year. I do not think all those Canadians are evil. They did that because they were borrowing to invest. For most Canadians the only investment they will ever make is in their own home. The average Canadian understands the difference between borrowing in order to do that and borrowing from the bank in order to pay off Chargex or being forced to use credit in order to buy groceries.

Businesses account for this in the same way. Look at the annual reports of any business. They are all in the business of borrowing. Look at the debt offerings of public companies. They were up over $20 billion last year. That was borrowing; that was debt; that was people paying interest. But the point of it is that there is a difference between borrowing in order to invest and borrowing in order simply to spend.

To launch a broadside attack on all borrowing or on all deficits, as if all of it was evil, is quite simply ignorant. It is ignorant of the difference between borrowing in order to invest and borrowing in order to spend. It is an ignorance that is generated in our own public accounts. Our public accounts do not make the distinction between investment and current spending. We have no way of telling in our public accounts, because of the way the expenditure is expressed, whether this expenditure will eventually reduce either a budgetary deficit or a deficit on current account. We have no way of telling whether it is an expenditure that is simply a current expenditure which will go up over time and will not generate any return to the government.

We must appreciate that there is a critical difference. It is a tragedy for our country that we now have governments which are so terrified of the concept of borrowing itself that they are unable to make a distinction between the concept of investment and the concept of current spending in the way in which they handle their own accounts.

To say simply that it is deficit spending alone which is responsible for inflation, and that it is the federal deficit which really provides the picture, ignores another reality, and that is that when one looks at the economy of Canada, one must look at what is the deficit picture of all levels of government and not simply at what is happening to the federal government.

The fact of the matter is that in 1979 the deficit at all levels of government was some $3.6 billion less than the deficit of the federal government. Most observers expect that by 1984 the over-all budgetary situation of all provinces, the federal government and local governments will be in balance. There are those who would say that is because the provinces being run by Tory governments are really keeping their expenditures way down.

• (1620)

An hon. Member: Right on.

Mr. Rae: That is completely false. The level of Tory spending is just as high and just as far above inflation as that of the federal government. The reason is related to another cause altogether, and that is the fact that some of our provinces have access to a source of revenue which is growing like Topsy. There is no source of revenue in Canada which has grown with the speed, and which will grow with increased speed, as the revenue we derive from our resources, and those royalty revenues go to the provinces. They increased at the rate of 30 per cent a year in the last decade and we can anticipate that, with the inevitable increases in price for oil and natural gas, they will grow even faster.

The thinking of the Liberal-Tory group fails to recognize that inflationary interest rates also inflate the federal deficit. Finally, Mr. Speaker, the thinking of the Liberal-Tory group fails to appreciate that prices are not coming down, even with dramatic fall-offs in demand. Can we honestly say that because of the collapse in the demand for automobiles the price of automobiles has dropped? Have people not noticed that General Motors announced just ten days ago it was increasing its prices? Does this not run contrary to every principle we would expect to see working in a free market economy? Where there has been such a collapse in demand, there would also be a significant fall-off in price.

Something else is going on in our economy. We are moving away from a market economy where there is a direct relationship between supply and demand, where we can see these effects right away, to an economy that is increasingly controlled by fewer and larger actors. The problem of corporate concentration and restriction on the supply side is what is really responsible for the current round of inflation, be it in the oil products field, the food field, or wherever it is that we are suffering.

The thinking of the Liberal-Tory group fails to recognize a simple fact, and that is that when you analyse a budget you cannot simply look at what is being directly expended or invested; you have to look at what is being spent or invested on the tax side as well. In other words, we have to look at our system of tax expenditures in order to understand why our deficits are as large as they are.

The hard fact of the matter is that our tax system has become more aggressive in the 1970s than it was at the beginning of this decade. We have now moved further away from the notion that "a buck is a buck" than in 1964 when we appointed the Carter commission. We have to recognize the fact that the runaway growth in tax spending, particularly on the corporate side, has contributed not only to our deficit but has also financed corporate concentration and foreign domination.

I want to suggest some proposals from this party of a positive nature to address these problems. They really come in two or three parts. The first is that we need to have a new system of accounting, a new system of public accounts and a new system of budgeting which makes a distinction between investment and current spending and allows the government to say it is investing in a given area, be it energy, as mentioned by the hon. member for Mississauga South, in industrial restructuring funds, or in training of manpower—because investment in human capital is just as much an investment as investment in any other form of capital if you think it is going to give you a return.

On the spending side, government should look very carefully to determine what are those sources of spending which are purely and simply a drain, and which are completely unproductive. Those are the items of expenditures and of spending where we must be determined.

Ironically, one of the ways of closing off those items may be in fact to increase investment. Let me give an example. The oil import compensation fund, the minister has told us, is going to cost us $3.6 billion. With that amount of expenditure—it is a drain and there is no question about that—we have a subsidy which is increasingly large and on which we have to put a handle. I think everybody recognizes that fact. However, finding a handle and reducing that current expenditure can only be done if we invest on the supply side, if we invest in alternative forms of energy and if we invest in urban transportation in such a way as to reduce our reliance on oil, be it Canadian or foreign, but especially foreign oil.

That is why it is that an increase in investment may be necessary in order to decrease the current expenditure we see as not productive. We also argue on the current account side that the government should establish what we call a national heritage account for renewable and non-renewable resources in order that Canadians can see exactly what resources we now have, what resources are being depleted and how they are being replaced, if indeed they are being replaced at all.

We can no longer as a country go on simply exporting from one end of the nation to the other resources which in many cases are not replaceable, without having some sense as to how it is we are using the revenues from these sales in order to generate alternatives and in order to generate our industrial base.

There is also significant room, in our view, for changes on the revenue side. Twenty-four Canadians in 1977 who earned more than $200,000, according to the government's own statistics, did not pay a single penny of income tax in that year. They should be given an award. We would call it the "golden loophole award". It is an award we should be giving on an annual basis. This year we want to make that award to those Canadians and their accountants who have, in a sense, robbed the rest of the Canadian public, because when those people are not paying any taxes other people are paying more. When 520 Canadians who earn more than $50,000 are not paying a single penny in tax, it is the average Canadian who is earning between $10,000 and $15,000 whose rates will have to go up.

Mr. Knowles: Highway robbery.

• (1630)

Mr. Rae: Therefore, we are suggesting that this House establish a permanent committee on tax reform to close those loopholes. I urge the minister that in the budgetary process he give every consideration he can to see that there is a closing of those kinds of grotesque abuses which make a monkey of our tax system. I believe it was Oliver Wendell Holmes who said that every time he paid his taxes he liked to think that he was buying a piece of civilization and that the annual process of paying his taxes was for him one of the sign of being a civilized man. I do not know how we can say that in our present society.

We have a government which does not distinguish between different kinds of spending. We have 224 Canadians earning nearly a quarter of a million dollars apiece who do not apparently want to buy a piece of civilization because they think that they can buy it on their own.

We are also arguing that the government should consider the reimposition of a national tax on Canada's wealthiest estates, an estate tax which would exempt transfers between spouses, family farms and small businesses, but would concentrate on the fact that we have the greatest concentration of corporate wealth and private wealth in our society that we have ever had. The concentration of wealth in Canada is greater today than it was ten years ago, and ten years ago it was calculated that as a result of the decision to eliminate death duties this Liberal government gave a windfall benefit of $4.5 billion to Canada's wealthiest citizens.

It is a tax which, if reintroduced, would reintroduce Canada into the western economies. There is one state in the United States, Nevada, which does not have a death tax. In the western world there is one country, Canada, which does not have a federal tax on estates, gifts and bequests. The revenue implications of something which concentrates on Canada's wealthiest and most privileged elite may not be great. I know that many provinces abandoned the succession duty field because the revenue implications were not that great. Only Quebec is involved in that area now.

In this concept of paying for civilization, every citizen must have faith in the tax system and the feeling that he is not being taken advantage of. That, it seems to us, is a critical tool. One could go on about the changes in the corporate tax system. Our resource taxes have been so depleted by the abuse of the capital cost allowance by the government—not by the companies—by the abuse of the super-depletion, by the abuse of the investment tax credit, that we have now effectively reduced the rate of tax for our largest and foreign-owned resource companies to less than that of a Canadian small business which is in the 25 per cent bracket.

We started under Carter at 50 per cent. We went down to 46 per cent. The banks are now down to 18 per cent. The oil companies are down to under 20 per cent. The average Canadian pays taxes at a higher rate than that. I think it is lunacy when the average guy with a family of two, earning $15,000 per year, pays higher taxes than an oil company or

bank. I know the minister will say, "Well, we closed off the income debentures". The fact that they did not close off the income debentures, that they only grandfathered them, means that we have been losing over $300 million a year since November, 1978.

The minister well knows that that is the reason the income tax rate of the banks is absurdly low. It may be of interest to the House that in 1970 our chartered banks paid taxes of about $250 million on profits of about $500 million. Their tax rate was 52 per cent. In 1979 because of this loophole which was organized and engineered by the Liberal government our banks paid taxes of $230 million—$20 million less than they paid in 1970—on profits of nearly $1.3 billion. Then the government comes in here and says that it does not have any money. Of course it does not have any money because it has been giving it away for ten years, not only to the wealthiest corporations but to the wealthiest citizens as well.

This government, since the Carter commission gave its report, has created more loopholes and a more anachronistic, regressive system than when we went into tax reform in 1964. Tax reform is an idea for which the time has clearly come again. It is simply no longer acceptable for this government willy-nilly, budget after budget, to take taxes off here and increase write-offs there, and make little changes here and there which have an over-all impact of a $32 billion tax expenditure budget, almost half the amount of direct federal spending.

I do not need to tell the minister that in contrast to direct federal spending—much of which is directed to Canada's least favoured citizens—tax expenditures goes all the other way. In all the benefits, whether one looks at the RHOSPs, RRSPs or whatever, the people who are at the highest level are those who receive the most income. I think this country has been cheated. I think Canada has been cheated because twice it voted for economic change. It voted for economic change in May and it received the same old orthodoxy, only in spades. It voted for economic change in February, and it received the same old orthodoxy, but this time with a different suit of cards.

An hon. Member: The two of clubs.

Mr. Rae: Yes, the two of clubs, any way you care to look at it. It comes out in a more pallid form. The Minister of Finance (Mr. MacEachen) is now more evasive and less provocative than his predecessor, but the substance of what the government is trying to do is substantially exactly the same.

Ironically it was expressed very vividly today by the Prime Minister and by the minister of housing. The minister of housing told us today that the government was considering closing down the community services program. Their program provides sewers, bridges and the basic infrastructure for each and every town. This government is telling us that because of the way it has fouled up its own spending and because of the fact it does not have a handle on the difference between investment and money down the drain, it does not have sufficient funds to invest in basic infrastructure for our towns and cities.

It is a lunatic prospect which we see before us. We know what they are like because we had the misfortune of sharing a side of the House with the Liberal party for a certain time. I had the opportunity to travel with the Minister of Energy, Mines and Resources (Mr. Lalonde) when we were both members of the Canada-United States Interparliamentary Committee, and I know the views he expressed at that time about the gas pipeline. We all know what Liberal candidates were saying in our ridings when we ran against them.

The minister said I am not embarrassed by this change, by the abandonment of the commitment on the pipeline. Nothing embarrasses the Liberals because they do not know the meaning of shame. They are without shame; they are shameless. Just as it abandoned the commitment on the pipeline, so too they left a false impression with the Canadian people—that if they were put back into power they would do something about getting the economy going, and "wasn't Mr. Crosbie's and Mr. Stevens' budget terrible because of the way in which it focused on the deficit?" This government has about as much understanding of the concept, means and notion of borrowing in order to invest as it does of the meaning of honesty, and that is to say nothing at all.

I believe it is time that the government talked sense to the Canadian people about budgets, deficits and the notion of borrowing. That is precisely what we have tried to do with the economic statement which I released today and which I discussed today in the House. We should not be authorizing borrowing by a government which does not have the decency to bring in a budget. Budgets and borrowings should go together because we need to see the purposes for the borrowing before we, as the House of Commons, can agree to allocate money.

• (1640)

We have to bring our method of managing a modern economy into the twentieth century—into the sunlight. We have to bring our tax system into the twentieth century so that it is fair to all Canadians and can be seen as being fair. We have to get governments and civil servants to understand that you cannot have an economy or a budget that is in balance when there is 9 per cent or 10 per cent unemployment. You cannot have an economy or a federal budget which is in balance when you do not know what is going on in the provinces. You cannot conceivably have a budget that is in balance when you are spending over $32 billion on the tax side on concessions.

That is the reason we released the economic statement today and that is the reason we are opposing the government's request to borrow a further $12 billion.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I listened with a great deal of interest to the comments made by the hon. member who just resumed his seat. I was not only shocked and amazed but also amused by some of his observations. For instance, he tried to portray an alliance of some kind—possibly philosophically—between the Liberals and the Conservatives. Of course, he has not been here too long, but if he were to look at history, I think he could not escape the

conclusion that if there is any coalition in this House, it is between the Liberals and the New Democratic Party.

An hon. Member: Right on.

Mr. Patterson: This was indicated most clearly and decisively in the events of last December when a motion was proposed by the New Democratic Party and supported by the Liberal party.

One or two other statements that he made bear comment, Mr. Speaker. He endeavoured to show that we were proposing restraint as the only way to solve the problems of the country. I suggest this is a very simplistic statement and is far from the truth.

If I understood him correctly, the Minister of State for Finance (Mr. Bussières) indicated that a motion had been proposed by my colleague, the hon. member for Mississauga South (Mr. Blenkarn), and supported by the New Democratic Party, that the borrowing authority be reduced to $4 billion. If I am wrong in that, then I apologize, Mr. Speaker. In view of the hon. member's statements about borrowing, I wonder why members of his party supported the proposal to reduce the authority set out in this bill from $12 billion to $4 billion?

The hon. member for Broadview-Greenwood (Mr. Rae) has presented the economic proposals of the New Democratic Party and has ridiculed everything else as far as an economic policy for the country is concerned. He presents his party's views as the sole and sure solution to problems in Canada.

I point out that only a few years ago when the New Democratic Party was in power in British Columbia they carried out an experiment that had catastrophic consequences. I would say God help us if we ever have another government of that party in our province.

I just wanted to make those few observations before dealing with the issue before the House, Mr. Speaker.

This bill concerns an act to provide supplementary borrowing authority for the fiscal year 1980-81. In view of the concern expressed by many of my constituents and people across the country about the policies of this government regarding expenditures and additional borrowings, I would be remiss if I did not speak on this bill today and express that concern.

The statement made by a former auditor general—and possibly confirmed by the present auditor general—that spending had gone out of control is very true.

Another institution was put in place with the appointment of the Comptroller General. Some of us felt that he might be of assistance in bringing some order to the wild spending policy of the Liberal government, but we do not see very much difference, Mr. Speaker. I realize that the Comptroller General did not have authority to reduce expenditures but only to make sure expenditures were made in a businesslike fashion.

I am amazed that the Liberal government is now asking Parliament for additional borrowing authority of $12 billion. When the Progressive Conservative Party took the reins of office about a year ago, it was determined to bring some restraint to this program of spending and some order to the chaos created by 11 years of Liberal administration. I believe it did a reasonably good job in this respect, and in spite of the vote of last December, I think a great many people across Canada appreciated the position we took.

While my colleague, the former minister of finance, in his budget on December 11, was able to project a very substantial cut in the federal budgetary deficit over the next four years, some borrowing authority was necessary because of the years of Liberal administration; but he was able to limit his request to $7 billion. This is $2 billion less than the former Liberal finance minister, the present Minister of Justice (Mr. Chrétien), bootlegged through the House by way of an income tax bill in the fall of 1977. At that time he asked for and received $9 billion.

It is interesting that when the hon. member for St. John's West (Mr. Crosbie) introduced his measure last December, the spendthrifts opposite immediately challenged it and cried that it was not necessary. We should remember that the present Minister of Industry, Trade and Commerce (Mr. Gray) said at that time that $3.5 billion was enough. Now their proposal is for $12 billion. I should like to know what happened between last December and today. Surely there is some explanation. The Minister of State for Finance referred to this today when he said that a motion was made in committee to reduce the amount to $4 billion but that the government opposed it. Now we have the paradox that a few months ago $3.5 billion was enough, $9 billion was too much; and now $4 billion is not enough, they need $12 billion.

During the election campaign the Prime Minister (Mr. Trudeau) or one of his colleagues promised that their new programs would not mean an increase in taxes as there would be a reallocation of existing funds to take care of them. I suggest that this is far from fulfilling a promise, because it is not from existing funds, it is from borrowing another $12 billion. Therefore, as my colleague, the hon. friend from Mississauga South said, this money is actually taxes and hopefully the time will come when we may be able to repay some of this money. But if we keep going the way we are going now, we will never be able to do that.

● (1650)

It took Canada 100 years to reach a budgetary level of $10 billion a year. This is a figure which doubled in the following three years, doubled again during the regime of the former minister of finance, John Turner, and went onwards and upwards until now our budgetary deficit is billions in excess of the $10 billion total expenditure of 1967; and our borrowing alone is $2 billion greater than the total 1967 expenditures. I think this shows just where we are heading as far as government expenditures are concerned.

I think we are heading in the direction which was outlined by my colleague from Mississauga South, and the Speech from the Throne served notice that this type of activity was going to be carried on. Canadians can only look forward to another

four years of free spending, to intervention in the marketplace by the Liberal government, to more waste, more patronage and more spending of money which has nothing to do whatsoever with increasing the economic base of Canada and the welfare of Canadians.

The Minister of Employment and Immigration (Mr. Axworthy) outlined programs not too long ago which involved millions of dollars of expenditure to help make jobs available for people. I say that expenditures do nothing at all to strengthen the economic base of our nation.

I realize that under the present government such band-aid measures may be necessary, but they are no substitute for policies that will strengthen the ability of our country to finance its operations and to promote a strong and vibrant economy in Canada.

I believe I indicated that I did not intend to speak for too long because my colleagues have presented in detail the various objections that we have to this type of program. They have called attention to a great many of the issues that are involved in it. However, I want to say very clearly today that I support wholeheartedly the opposition that has been raised against this bill. We believe that if we are going to develop our economy and we are to place Canada in a position where it can go forward and progress, develop and expand the economy, increase productivity and provide for the needs of the Canadian people without bankrupting the country, then we will have to move in a different direction altogether.

May I say that when my party was in office one of the major goals was to move the country in that direction. It was diametrically opposed to the direction in which previous governments and the government of today leans. So I think in this matter of make-work programs, although they may be necessary at times, we must have policies which will contribute to this particular objective. The programs which have been put in place are an acknowledgement by the government that they do not have those policies in mind and are not able to implement them.

One of the reasons we have raised such objection to this particular measure at this time is that the government has refused to bring in a budget. It has been recommended, urged and demanded that we have a budget, yet we find that up to the present time the government has failed to indicate its intention to bring in a budget at any specific time. Nor has it given us any hope that a budget will be introduced in the near future.

At page 160 of *Hansard* the Minister of Finance (Mr. MacEachen) stated:

> I will certainly bring in a budget as soon as possible, but I do not see that possibility within the near future, or even beyond the near future.

I suggest that this is blatant arrogance of the highest degree. It seems to me I accepted the premise when I came to this House many years ago that a budget must be introduced. It was expected and it was required in every Parliament in order for the government to have the opportunity to give an overview of the Canadian scene and to say what it intended to do about it, along with presenting its expenditures and revenues so that we are able to assess the programs and the viability of the legislation.

But here we find the Minister of Finance saying that he cannot see even in the near future or beyond that the necessity of bringing in a budget. I think the Minister of State for Finance when he was introducing this measure on third reading today said "if there is to be a budget this fall". I notice that the minister does not object, so I would assume I am correct. I repeat, he said "if there is to be a budget." I find it incredible that a government would take the position that a budget is not necessary, that it is not an important thing, or that we should not be making any fuss about it. It seems that the attitude is that the government will bring in a budget when it wants to bring it in, and if it does not want to bring in a budget, the government will be in no hurry to do so. This kind of thing leaves us up in the air, as it were, as far as the government's assessment of the situation in Canada is concerned and what the government is going to do about it.

I say that is not good enough, Mr. Speaker. A lot of traditions have been thrown out from this place, but this is an absolutely essential one. Maybe it is constitutional; maybe the government has to bring a budget in; but nevertheless the government is taking the attitude that it is inconsequential and that we ought to be able to tell the government to go ahead and borrow, borrow, borrow, and spend, spend, spend, as my colleague has just said, and that we should not have anything to say about it. I say it is not good enough, and I certainly oppose this bill at the present time.

Mr. Mazankowski: Five o'clock.

The Acting Speaker (Mr. Blaker): Order, please. It being five o'clock, as the hon. member for Vegreville (Mr. Mazankowski) has suggested, may I deal with one or two matters which the Chair has responsibility to deal with at this point.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Algoma (Mr. Foster)—Employment—Programs to create jobs; the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty)—Computers—Use by government of Databanks; the hon. member for Regina East (Mr. de Jong)—Health and Welfare—Health hazards in certain chemicals and pesticides—Review of drugs, pesticides, food additives request for progress report.

Freshwater Fish Marketing Corporation

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills: Bill C-19, an act to amend the Employment Tax Credit Act; Bill C-22, an act to adjust the accounts of Canada and to make related amendments to certain acts, without amendment.

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Blaker): It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

There being no items on the order paper under the heading of private bills, the House will proceed to notices of motions (papers).

FRESHWATER FISH MARKETING CORPORATION

Mr. Thomas Siddon (Richmond-South Delta) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams or other documents exchanged between the government, its departments and agencies and the governments of Ontario, Manitoba, Saskatchewan, Alberta and the territorial council of the Northwest Territories, since January 1, 1978, relating to the review and restructuring of the Freshwater Fish Marketing Corporation.

He said: Mr. Speaker, before going into the basis for requesting the production of papers as cited under motion No. 19, I would like to provide a little bit of history relating to the importance of the review which was commissioned by the previous minister of fisheries, the hon. member for St. John's East (Mr. McGrath), a review of the Freshwater Fish Marketing Corporation commissioned under his ministry.

As a consequence of that, a number of well-known and publicly-known concerns have been raised with respect to the conduct of affairs by the Freshwater Fish Marketing Corporation in recent years. The minister, as well as many members of Parliament and individuals in the freshwater areas of Saskatchewan, Manitoba, Alberta, northern Ontario and the territorial area of the Northwest Territories, have been receiving expressions of concern from numerous fishermen and groups in those areas with respect to the evolution of the Freshwater Fish Marketing Corporation into its present form. Concerns have also been expressed, in Manitoba in particular, by aspiring businessmen who would like to see competition return to the fish processing, storage and marketing areas.

It is a fact that some 84 per cent of the fish volume caught within the jurisdiction of the Freshwater Fish Marketing Corporation comes from the province of Manitoba, with 60 per cent, and from Saskatchewan, with some 24 per cent of the catch. The lesser amounts of fish caught in the northern areas of Alberta, northwest Ontario and the territories are caught by and large by the native communities. For many years those communities have relied on the income from fishing.

I called for the tabling of documentation relating to the review which was commissioned last October, as I said earlier, by the hon. member for St. John's East because we on this side of the House at least are very concerned that that review is in suspension or is proceeding much more slowly than the previous Progressive Conservative government advocated.

I was surprised by the response of the government in declining our request to table the documentation, telegrams and correspondence relating to this review. I cannot understand why there is a need for secrecy in this matter. What possible confidences might be embarrassing to the federal government were this correspondence to be released? Most of the concerns that have been expressed, including all of those I will indicate this afternoon, are well known to the public. In this enlightened age of freedom of information, it appears in the eyes of the Liberal government opposite that freedom of information is but an ideal. They refuse to put that ideal into practice by sharing with the people of Canada the documentation relating to the progress of this review.

In a public press release under the signature of the previous minister of fisheries, it was indicated that, as a consequence of a meeting of the minister of fisheries with his counterparts from the provinces and territories, a committee of officials would be working on certain tentative proposals which were put before them. By the end of April of this year, that committee was to have reported back to the minister of fisheries and ultimately to Parliament on certain proposed structural changes to the Freshwater Fish Marketing Agency. That report has not yet been forthcoming.

I will now proceed with some of the concerns about the corporation which we would expect to be addressed in that review process and be reported promptly to this Parliament. The original concept of the Freshwater Fish Marketing Corporation was a marketing board only, to be engaged in the buying and selling of fish primarily into the international markets, the American market in particular. That marketing board concept did not envisage a vertically integrated corporation which would be into the ownership of vessels or loans with respect to vessels. It would not be involved with transportation of fish, storage and processing. It would merely be involved with the marketing of those fish species, in particular to international customers.

That original concept was recommended by the McIvor commission in the late sixties and advocated by the Conservative government of Duff Roblin in the province of Manitoba. What that concept of a marketing board has become is, as I said a moment ago, a monopolistic, vertically integrated Crown corporation, like so many of our Crown corporations,

which handles the product from the lakeside all the way to the consumer, whether the consumer be in the fish buying markets of New York state or Poland.

I suggest what we have now is a system of monopolistic dominance in the fish marketing industry, in the prairie provinces in particular, which is a far cry from what I understand to be the principle of democratic socialism where free enterprise and the private sector can operate in competition with one another. What we have is virtual communism in all of its forms in the example and illustration of the Freshwater Fish Marketing Corporation. Complete monopoly powers are reflected in part III of the Freshwater Fish Marketing Act to buy, sell, trade and engage in all handling of fish caught in freshwater areas of Canada. This monopolistic corporation comes complete with its mandarins and represents a significant drain on the public purse.

Why all the concern about the corporation? First, it is well known that by taking over all the small plants in northern Canada, particularly in the northern areas of Manitoba, Saskatchewan, Alberta and the territories, the small community native-run fish processing operations have been eliminated. Family employment has been taken away from those communities. The spouses of the fisherpersons, to use that term, and the children that were once involved in a community effort in the processing and sale of fish, no longer have employment. The fishermen catch the fish, it is loaded on trucks, packed in ice and sent to Winnipeg, by and large, where it is processed in a very impressive new fish processing plant, built to some extent with the generosity of the taxpayers of Canada to process and store fish for sale in the export market.

One of the concerns that is well known is that local community centred fish processing operations have been destroyed. Second, it is well known that the advent of the Freshwater Fish Marketing Corporation has led to the gradual erosion of the Co-operative Fisheries Limited, a co-operative in Saskatchewan which was a government-managed co-operative in the sense of the traditional co-operatives of Saskatchewan. It is a co-operative which reflects the movement of co-operativism which has flourished in Saskatchewan over several decades. I commend that type of involvement in the marketing and consolidation of products such as fish. That co-operative effort has been destroyed by this monolithic, monopolistic corporation managed out of Ottawa.

It is also well known to some of the fisherpersons and communities in the north that the trucking of their catch to Winnipeg, Transcona in particular, is very annoying. Furthermore, fishermen in local parts of Canada, whether they be in Edmonton, Saskatoon, Lac La Ronge or Hay River, are not allowed under the Freshwater Fish Marketing Corporation Act to sell directly to consumers. They are not allowed to sell directly to the public or to local supermarkets or fish markets. The corporation takes the product to Manitoba, packs it in nice boxes and sends it back to convenient Safeway stores somewhere in northern Manitoba where the price is roughly double the price paid to the fishermen. They cannot understand why they cannot sell directly in these regional areas.

• (1710)

This leads to a fallacy in respect of the principal reason for which the FFMC was established. It is often contended that in the interests of orderly marketing and eliminating the so-called illicit buyers of fish who once operated in these regions, big brother government must step in to secure an increase in prices paid to fishermen. So the corporation, in its most recent annual report covering the year 1978-79, tells us that the price paid to fishermen now represents 62 per cent of the sales dollar. But if we look further into the report we find that in fact the amount paid to fishermen came to $17 million last year out of a total sales volume worth $34 million. In other words, the percentage paid to fishermen amounts only to 50 per cent, not to 62 per cent. So there is obviously a misleading reference in the annual report to a 62 per cent return to fishermen. Such a return is non-existent.

What the corporation does is deduct the cost of transporting the fish to Transcona along with the cost of processing and storing it there; it does not concede that these were legitimate costs incurred by the private operators which it replaced. Nor will the corporation admit that when the private operators returned about 48 per cent to 50 per cent of the sales value of the commodity to the fishermen the situation was virtually the same as it is now. If one deducts transportation costs and costs of processing and storage at Transcona, as the corporation does, the fishermen still only get 50 per cent of the sales value of their product. Nothing has changed.

Perhaps I should not say nothing has changed, Mr. Speaker; there is an illusion of higher prices. There is an illusion of price stability. No competition is allowed from the private sector. Private entrepreneurial instincts in the freshwater area are suppressed. Private companies have been forced into bankruptcy—they are not even allowed to pursue the marketing of special products and underutilized species in which the corporation is not interested. This is particularly annoying to people who believe in the free right to do business in this country without government intervention.

Of course, as a result of this federal monopoly there is a yardstick by which to determine whether the fisherman is getting fair value for his product. In the absence of private sector competition how do we know that fishermen are getting the right price? The government says, "Trust us". And now we see this fallacy which is regularly used as a governing principle by some individuals, namely, that the government can always do it better, that the be all and end all of the fish marketing industry is orderly marketing and so-called single desk selling. This is an attitude one often finds, especially in government circles and it is reflective of the big brother era which we are rapidly approaching. I believe the present minister, who is not in his place this afternoon, has a similar philosophy. I say it is the beginnings of communism in this country because it takes away from the individual the right to compete.

Also, in this case, the chairman of the board of the corporation, a political appointee who has close relationship with the cabinet and the government, is engaged in the day to day management of the corporation. He is a political sales agent

for the corporation. And in the hands of that one man rests the price paid to fishermen based upon some $34 million of sales each year. This one man and his assistants concentrate their selling effort in certain countries, through certain connections and acquaintances.

How does the poor fisherman ever know he is getting fair value for his catch when there is no standard for comparison? It was my understanding that Crown corporations must operate at arm's length from the government. This means that the board side, the policy-making side, those who are appointed at pleasure by the governor in council, should operate independently of day to day administrative decision-making. I think it is clear in the case of this corporation that they have a chairman of the board, or did so until recently, who is also paid as a consultant to secure markets for the product. I think it is also well known that, in the eyes of individuals and fishermen's groups, there is a lack of dialogue between the corporation and its administrative structure and the fishermen. The policy of the Freshwater Fish Marketing Corporation has not been open to scrutiny and to criticism. I think this is unacceptable.

In my estimation, the notion of orderly marketing is somewhat different from that held by certain individuals within the department of fisheries. My notion of orderly marketing is that you smooth out the bad years of operation by skimming off the good years. This implies holding a reserve account; earnings are retained over the years so that in the poor years prices can be maintained to the fishermen by drawing from the fund. But we have no way of knowing whether the last fiscal year was a bad year or a good year for the corporation. It is a fact of history that the corporation has continually gone back to the federal public purse and to the provincial public purse to subsidize its operations so as to maintain price levels to fishermen. So what happens is that in the good years they pay the best possible price and in the poor years they go to the public trough and pull more out.

The consequence is that the corporation presently carries some $5,600,000 worth of operating loans from the federal government and some $4.5 million worth of direct equity loans which the taxpayers of Canada are underwriting. This is not orderly marketing by my concept. Why is there no reserve account held by the FFMC? It brags about payments to fishermen, even if they are only 50 per cent of the selling price, but it is easy to brag if those payments are subsidized by the people of Canada generally.

The corporation pays interest charges on its indebtedness amounting to a million dollars a year. Why should it? If it were a properly run private corporation it would be holding some reserves to tide it over bad years. We have to ask ourselves whether the corporation has not, perhaps, become an instrument of social welfare and unemployment relief. If that is part of the role of the corporation, so be it, but let the government and the corporation admit it and not do as an hon. member from the other side did this morning, and that is try to blame the provinces for forcing this form of social relief upon them, suggesting the federal government was dragged into this situation so as to provide a social benefit which the provinces desire. After all, it is the federal government that calls the shots in this case. This is a federal Crown corporation and this government cannot weasel out of the situation easily.

There is one further important question which needs to be addressed. Last year, in late 1978 and through the 1978-79 fiscal year, the corporation bragged about the sale of some five million pounds, or $3.9 million worth, of old white fish which had been held in inventory for a considerable time. They bragged about that sale to Poland, eliminating their inventory and being able to balance their books for that particular year. But in so doing, Mr. Speaker, they threw in an access quota to the Polish fishing fleet allowing them to fish for squid off the Atlantic coast. This represented a direct transfer of income from the fishermen of Atlantic Canada into the pockets of the fishermen being served by the Freshwater Fish Marketing Corporation. I think the fishermen of Atlantic Canada might well want to ask some questions about the propriety of what was done on that occasion.

I see my time is drawing to a close. I believe there are a number of options to be considered for the restructuring of the corporation. The former minister had been considering these options, ranging as they do from the retention of the status quo to the complete disbandment of the corporation, which would involve selling its assets to the province or reverting to the private sector.

• (1720)

I believe the studies which were undertaken and the joint discussions of provincial and federal officials would have led to a compromise which would have allowed some competition to return to the freshwater areas and which would have created a situation in which the corporation would have reverted to its original function, which would have been to provide a marketing board service and nothing more.

I believe that that report should be filed soon. I would like to see the documentation relating to the review tabled. That is the thrust of the motion before the House. This action, this information and the report should have been presented in April and decisions should have been taken to restructure the Freshwater Fish Marketing Corporation in time for the current fishing season, which would resolve many of the problems to which I have referred.

Thank you for your indulgence, Mr. Speaker. I commend to all hon. members the importance of making these overdue changes in the corporation and, as a first step, having this documentation placed before this House.

Mr. Flis: Mr. Speaker, I rise on a point of order. The hon. member came very close to accusing this government of communism.

An hon. Member: He did.

Mr. Flis: I suggest that the hon. member go and live for a year in the Soviet Union; then he would know the difference between a democratic form of government and a communistic

form of government and the difference between liberalism and communism.

Mr. Chénier: Apologize.

Mr. Siddon: Mr. Speaker, on the same point of order—

The Acting Speaker (Mr. Blaker): I should warn the hon. member that it is quite obvious that that was not a point of order. It was debate. However, I will recognize the hon. member for Richmond-South Delta.

Mr. Siddon: Mr. Speaker, I would just like to say that as much as the hon. member opposite, I have visited many communist countries, and what I have seen and pinpointed here is the first signs of what would lead to that type of government being established in this country.

Some hon. Members: Order.

Mr. Fleming: Unadulterated nonsense.

The Acting Speaker (Mr. Blaker): The Chair is obliged to recognize a member who seeks the floor on a point of order. I have no choice but to recognize the hon. member for Parkdale-High Park (Mr. Flis) if he seeks the floor again on a point of order. However, I have to point out and underline the fact that the hon. member has had an opportunity, under the guise of a point of order, to enter into debate, and it is the responsibility of the Chair not to permit that. I have no choice but to recognize the hon. member, but it should be on that which is a point of order.

Mr. Flis: Mr. Speaker, this is exactly a point of order. My point of order is that the hon. member should withdraw the statement he just made. He just reconfirmed that he is labelling this government what it is not, and I ask, on a point of order, that he withdraw those comments.

The Acting Speaker (Mr. Blaker): I do not necessarily appreciate the degree of concern the hon. member has with respect to the government's being referred to as communist. The government can be referred to as communist or as the mafia or anything else, but it is a matter of debate, not a point of order.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am pleased to take part in the debate this afternoon about the Freshwater Fish Marketing Corporation, a Crown venture which has performed, in my opinion, very well and because of its success has been the subject of some discussion.

Mr. McDermid: It will come back to haunt you.

Mr. Henderson: The Minister of Fisheries and Oceans (Mr. LeBlanc) has already expressed, in the clearest terms, his reasons for asking the hon. member for Richmond-South Delta (Mr. Siddon) to withdraw his request that copies be tabled of all documents exchanged between the government and the governments of Ontario, Manitoba, Saskatchewan, Alberta and the territorial council of the Northwest Territories since January 1, 1978, relating to the review and restructuring of the Freshwater Fish Marketing Corporation. The minister has requested this withdrawal because a comprehensive review of the corporation is presently under way, and the presentation of the documents presented would not serve a constructive purpose and would be premature.

Furthermore, with all due respect to the hon. member, the Minister of Fisheries and Oceans has stated that he would be very pleased to table the report on the corporation when it has been completed subject, of course, to the consent of the participating provinces and territories.

It seems to me that this discussion of the Freshwater Fish Marketing Corporation, to which I humbly add a few words, is useful and opportune. I say it is useful and opportune because of concern that the corporation has not blown its own horn and has allowed its own record to stand as its voice. The record is good, the voice is strong, but it has obviously fallen on some deaf ears. I have looked at the record and I can say that I am impressed. But before I pursue the exposition of the corporation's record, I feel it important to preface this with an overview of why the corporation was formed in the first place and what it was given as its objectives so that the record can be viewed in this light.

The establishment of the corporation, provided for by the Freshwater Fish Marketing Act passed in the 1968-69 session of Parliament, ushered in a new era in the freshwater fish industry. Prior to the control of the freshwater fisheries in western Canada being centralized through the corporation, there were many problems facing this industry. These problems were perceived by the governments of the prairie provinces as stemming from the extreme fragmentation of all sectors of the industry. The prairie provinces were concerned about the recurring weakness of prices for freshwater fish, particularly in the export market, and the well-being of the primary producers who ultimately bore the brunt of weak prices—the fishermen themselves.

The province of Manitoba originally stated its position in a brief to the National Fisheries Conference in January, 1964. Problems of disorderly marketing, too many exporters, poor processing equipment, low quality control facilities and fishermen receiving too low a share of prices, which were constantly fluctuating, led the province of Manitoba to recommend the establishment of a regional marketing board to meet the marketing problems of the industry.

As a result of the concerns expressed by the prairie provinces and because the freshwater fish industry operated interprovincially and internationally, the federal government, the assistance of which was requested, appointed by order in council a commission of inquiry in 1965 to inquire into and report upon the marketing problems of the freshwater fish industry in the provinces of Ontario, Manitoba, Saskatchewan, Alberta and in the Northwest Territories.

Mr. George H. McIvor, the commissioner, concluded at that time that the export market was weak because there were too many exporters in Canada to counter the control exercised by

the few importers in the United States, then taking upwards of 90 per cent of exports. The commission also concluded that the fisherman was the one who was being penalized most directly, and of course he was penalized in his pocketbook as a result of this situation.

To counter this problem, the commission's principal recommendation was the establishment, under federal legislation, of a freshwater fish marketing board. The McIvor commission's recommendations were studied extensively by the federal-provincial prairie fisheries committee, which reported to the freshwater fisheries ministers on April 21, 1967. Their report basically endorsed the commission's report. The outcome of all this study was the Freshwater Fish Marketing Act.

The basic philosophy underlying the legislation was that returns to freshwater fishermen could best be increased through the establishment of a single selling desk with the exclusive right to market and trade in fish interprovincially and internationally.

The corporation was therefore obliged to purchase all fish listed in the schedule to the act which was offered for sale to it by licensed fishermen. It was contemplated in the legislation that the corporation would set initial prices for each species, by grade, at the opening of each season and distribute to fishermen in a final payment any additional earnings obtained through marketing of the catch.

● (1730)

Also, the corporation has the power to make loans for working capital on a seasonal basis to persons engaged in fishing for commercial purposes in a participating province and in the Northwest Territories. The magnitude and complexity of the production and marketing programs which faced the newly-established Freshwater Fish Marketing Corporation were considerable. The geographic area served by the corporation covers over 1.5 million square miles, most of it in a remote area, with very limited transportation and communication facilities, as hon. members know.

The approximately 3,500 fishermen who were the primary suppliers to the corporation were thinly scattered throughout this vast territory. They represented several ethnic groups, with many language dialects, which further compounded communication problems. Facilities for receiving, handling, packing and caring for a highly perishable product were in very many cases primitive and/or unsuitable generally. Processing plants designed and equipped to prepare modern frozen foods to serve in a highly competitive twentieth century marketplace were largely non-existent. During its first year of operation, the Freshwater Fish Marketing Corporation was confronted with a mercury contamination problem which presented difficulties of staggering dimension in the Canadian industry.

The principle of sharing the high and the low of the market on a seasonal basis with all fishermen was not generally practised prior to the establishment of the corporation. It was quite common for a few seasonal enterpreneurs who might not necessarily depend upon fishing for their main income and were conveniently located in respect to major markets to hire and outfit fishermen for low wages and short terms. The lakes would be fished during peak periods of demand. While this was quite lucrative for the entrepreneur, the fishermen failed to share the largesse. Futhermore, the proximity of these choice markets created a situation whereby the great majority of fishermen struggling to earn a livelihood from limited resources in the more remote unsettled areas generally were excluded from sharing the benefits of the very important high market price periods.

Upon its inception the Freshwater Fish Marketing Corporation was faced with the task of largely reconstructing a fragmented and neglected industry, an industry that had exploited the lakes and species which were marketable in the whole fresh or frozen form with little or no attention given to product development or market management. In its efforts to rectify this situation, the Freshwater Fish Marketing Corporation set out to implement policies aimed at attaining the objectives as defined in the act. The major operational objectives were:

1. To bring about a smooth program of transition assuring as little disruption to fishermen as possible.

2. To develop and implement a uniform pricing system to fishermen.

3. To initiate the concept of single desk selling.

4. To devise a network of private and/or co-operative agents to serve fishermen at the production level.

5. To initiate at all levels a program of quality control.

6. To study and initiate, in co-operation with agents, plans for expanding and upgrading receiving and handling facilities at the production level.

7. To investigate all existing avenues that might be economically utilized to provide adequate facilities to process fish particularly the so-called "rough" varieties into convenience foods, institutional items and new products while concurrently attempting to develop markets for same.

In order to design a uniform pricing system for fishermen prior to the commencement of each season, the Freshwater Fish Marketing Corporation prepared objectives of total production, percentages of the total that are to be filleted, how much will be frozen, how much will be sold fresh, and an estimate of the sales value of each segment. In this manner an estimated sales return f.o.b. point of delivery is arrived at. From this is deducted the estimated costs of packing, processing, freezing, administration, etc., thereby arriving at a price to fishermen for loose fish f.o.b. designated point of delivery. From this loose fish price are deducted transportation costs from lakeside to the corporation, thereby establishing a price to fishermen at the lake. This assures fishermen regardless of their location that they will receive a price related to market. At the same time it does not penalize the fisherman who is closer to the delivery point for transportation costs from remote lakes. This method of uniform pricing is complex because of the numerous lakes involved and the complexities of transportation. There are something like 250 lakes involved.

The principle of single desk selling has been initiated by the corporation consistent with provisions of the legislation. Previously prices for fresh fish were extremely erratic. As might be expected, high prices were in effect when production was minimal, while during periods of peak production prices reflected the oversupply of product. However, through adherence

to the single desk selling principle the Freshwater Fish Marketing Corporation has been able to establish and maintain a reasonable product price. It supplies fresh product to the market in quantities the market can absorb, while the surplus is marketed in either frozen or filleted form.

Integration of the industry from lakeside handling to market has been achieved. The corporation buys fish from fishermen through its agents and sets lakeside prices. Directly or indirectly, it controls the product from the lake to the processing plants into cold storage and to market. It specifies processing methods and product type. It determines the packages or boxes in which the fish is carried and sometimes the mode of transportation. It sets packing and processing allowances. It sells directly to processors, wholesalers, some chain stores, and indirectly through brokers.

The corporation now disposes of virtually all freshwater fish produced in Canada outside of the Great Lakes. This represents approximately 50 per cent of total annual production. This activity involves the main facility at Transcona, Manitoba, as well as processing plants at Hay River, The Pas, Edmonton and La Ronge. Unquestionably, the degree of rationalization and integration achieved to date has had the effect of increasing returns to fishermen.

I am not reluctant to say that the Freshwater Fish Marketing Corporation is a success. The record of the corporation speaks for itself. The figures are very plain and clear and provide the evidence that the corporation has lived up to the objectives which underlined its creation over 11 years ago. As the central objective of the corporation is to maximize returns to commercial fishermen, the single most important statistics are the prices to fishermen and the percentage of the final sales dollar returned to fishermen.

Payments to fishermen in the corporation's first year of operation totalled $7,700,000. Payments to fishermen in the fiscal year 1978-79 totalled over $17 million, or more than double; 61 per cent to 63 per cent of each sales dollar is now returned to fishermen, regardless of what the member said. We should compare this to the rate which prevailed prior to the establishment of the corporation. I think it is very important. We should take a look at what was taking place in the freshwater fish business before. It was a rate of only 40 per cent to 55 per cent when the competition between Canadian exporters, and the lack of organized systems, resulted in the downward manipulation of prices for products paid by the biggest buyers, a handful of American importers.

There are other statistics I should like to mention which provide further support to the fact that the corporation has lived up to another of its primary objectives—promoting international markets for and increasing interprovincial and export trade in fish. Net sales during 1969-70 were $14,400,000. Net sales during 1978-79 totalled $34 million. That is a very impressive increase of approximately 240 per cent, with little change in the volume of fish.

The average annual increase in total payments to fishermen has been 12.4 per cent since the crisis years of 1971 to 1973. During those years the corporation was hit with a number of problems, including the closing of some lakes due to mercury contamination and delays in construction of the Transcona processing plant due to a strike, I think, by construction workers. Since then, however, it is obvious the corporation has regained its feet and is continuing its recent impressive gains.

● (1740)

Active international marketing has meant a great deal to the corporation's profit picture. In 1978-79 the corporation's net income was over $5.1 million before final payments to fishermen, by far the highest profit recorded in the history of the FFMC. A good portion of this figure is attributable to a sale of a large quantity of whitefish to Poland. Further marketing efforts of this nature were carried out in 1979-80 and, although final figures are not yet available, there was a substantial sale of mullet to Great Britain at favourable prices, which permitted fishing through the winter season.

I have only a few more figures to quote as I do not want to over-burden hon. members opposite. These figures demonstrate that although a major portion of the corporation's sales are to the United States, and even though I say that is not such a bad thing in itself, the marketing activity successfully increased the overseas component of the sales pie from 14 per cent in 1977-78 to 23 per cent in 1978-79, reducing the U.S. slice from 70 per cent to 61 per cent. These sales figures and the diversification of markets are, according to any analysis, proof of a Crown corporation meeting and exceeding its mandate.

Of course the corporation has had its problems, and will continue to have them in dealing with the many factors affecting a business of this nature and magnitude, as well as in fulfilling its unique function as a Crown corporation.

The management of the corporation has been and has indicated it will continue to be responsive to the needs of its suppliers as well as the interests of the provinces and territories within its area of jurisdiction. I am concerned and hopeful that the corporation will be permitted to continue to carry out its mandate and to evolve, as all such operations must, so that the freshwater fish industry, and the backbone of this industry, the fishermen, will continue to be well served.

Those are all the comments I have to make at this time, Mr. Speaker, and I thank all hon. members for their attention.

Some hon. Members: Hear, hear!

Mr. Nickerson: Mr. Speaker, I had not anticipated speaking at this time as I felt the honour should have gone to my colleague to the left.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member is quite correct. I should have recognized the other hon. member. If the hon. member for Western Arctic (Mr. Nickerson) is prepared to allow the Chair to correct this error, I will recognize the other hon. member. Is that agreed?

Some hon. Members: Agreed.

Freshwater Fish Marketing Corporation

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I would like to thank the hon. member for Western Arctic (Mr. Nickerson) for ceding me the floor.

It is with a great deal of pleasure I rise today to speak in this debate concerning the tabling of documents regarding the Freshwater Fish Marketing Corporation.

As a member of Parliament representing many of the freshwater fishermen in the province of Manitoba, this matter is of particular importance to me. No doubt this debate will also be of great importance to all the freshwater fishermen from Thunder Bay to the Rocky Mountains.

Let me say at the outset that the New Democratic Party stands four square behind the concept and practice of orderly marketing of most foodstuffs. Needless to say, we feel the creation of the Freshwater Fish Marketing Corporation in 1969 was a positive step for Canadian freshwater fishermen.

I believe it is worth mentioning to hon. members present the situation which confronted fishermen prior to the FFMC being set up. Basically it was an open market, free enterprise system and, as one might well expect, the major beneficiaries of this particular arrangement were not the fishermen or the small local processors, but the large, well-organized American importers. The result was that both the fishermen and domestic processors were receiving inadequate—indeed some might have said subsistent—prices for their catch.

Just this morning in committee the Minister of Fisheries and Oceans (Mr. LeBlanc) made the comment that one of the reasons the FFMC was set up was to protect fishermen in remote or small communities. This is very true, but similar protection was required also for fishermen in larger and not so remote areas. Indeed, in my home town of Gimli there were many fishermen who suffered because of the practices of these private enterprises. Typically, at the beginning of each fishing season the companies which give advance payments to the fishermen so they could buy nets and other equipment necessary, would quote a price for fish at that time. Invariably at the season's end the final price would be lower than the initial quote with little or no final payment coming to the fishermen. In many cases the company owned a man's fishing boat, and in some communities they even owned the house in which he lived. One is reminded of the old coal miner's song about owing one's soul to the company store. This is indeed what the companies in Manitoba and in much of the prairies wanted.

I well remember as a teenager in Gimli talking with friends whose fathers were fishermen. For many years my friends' fathers fished as independent operators. By the mid-1960s most of these fishermen had been reduced to the status of underpaid, indebted employees of these fish companies. At this time in the late sixties it was widely rumoured that there were only two completely independent fishermen left on Lake Winnipeg. I believed the rumour at that time, and I still do.

It was with this background that this legislation was passed in 1968-69. It represented a response by the federal government to a request from the central provinces, led by the government of Manitoba. Rather ironically the minister leading the battle for Manitoba was Sterling Lyon, now the premier of that province, who last fall led the battle attempting to dismantle the FFMC.

The need at that time was for unification of the trade in freshwater fishery products. The perception was that economic distress among primary producers was attributable to fragmentation of assembling, processing, and the exporting operation. In 1969, after discussions dating back to 1964, the Freshwater Fish Marketing Corporation was established by federal statute. Its area of jurisdiction is the three prairie provinces and for a while some of Ontario and the Northwest Territories. It was the exclusive responsibility of the FFMC to market fish originating in this area in interprovincial and export trade. The objectives of the corporation were defined as follows: one, marketing fish in an orderly manner; two, increasing returns to fishermen, and three, promoting international markets for and increasing interprovincial and export trade in fish.

Over the ten-year period in which the corporation has been in existence, freshwater fishermen have seen the price per pound they receive for their catch increase by as much as 150 per cent. As the previous speaker has mentioned, the final payments, or total payments, to fishermen last year amounted to $17.2 million. In 1970 they were a mere $7.7 million. That is a substantial increase, and it has meant a substantial increase in the quality of living for the fishermen in the prairie provinces.

I believe it is fair to say that the marketing corporation has been a modest success over its ten-year history and, as well, it has brought some stability to freshwater fishermen's incomes. However, having said that, I think it must be said that fishermen and processors in western Canada are facing some problems.

In the last six months my office has dealt with dozens of fishermen who have been placed on unemployment rolls, or forced into accepting welfare. The problem in Manitoba is not that they cannot make a living fishing Manitoba's lakes and selling their catch to the corporation. The problem is that the provincial government last October decided to change the rules as they pertain to fishing licences. The result was that fishermen who had for years made their living fishing Lake Winnipeg, Lake Manitoba, Winnipegosis, Cedar Lake and many others have now found they do not qualify for a licence under the new regulations.

• (1750)

During December, and January of this year, the fishermen in the various communities discussed these new regulations proposed by the provincial government. There was near unanimous consent that these new rules were not in the best interests of freshwater fishermen.

Discontent grew to such a level that in January the Conservative government, fearing that this unfavourable program would affect the chances of federal Conservative candidates in the affected communities, ordered the suspension of the proposed guidelines. However, by that time much of the damage

had been done and unemployment in my riding soared to over 9 per cent. It is really little wonder that my friends to the right did so poorly in Manitoba during the last election; they were faced with the problem not only of defending the policies of their own government but also the policies of acute, protracted restraint that have been mercilessly practised by the Tory government in Manitoba.

I would like to return more specifically to the motion before the House calling for documents concerning the future of the FFMC, such as correspondence between the federal, provincial and territorial governments to be laid before the House. I am of the opinion that this is a worth-while motion, not so much because it will show grave reservations on the part of the partners in the FFMC about its operation, but because such tabling of documents will undoubtedly show widespread and general satisfaction with the performance of the corporation. The information that I have would indicate that there is now general agreement among the participating agencies, after a thorough review of the possible options, that the corporation is functioning reasonably well and that only fine tuning adjustments were necessary.

I would point out that even the province of Manitoba, which was championing the cause of privatization that is so dear to the hearts of my associates to the right, has now come around to a position virtually in support of the status quo. Hon. members may well be asking themselves how a government like the Lyon Progressive Conservative government, the very epitome of neo-Conservatism, could come to the conclusion that the FFMC was not so bad after all. It is like this; in October the government sent up a trial balloon suggesting privatization or competition with the FFMC, but in the months since then they have been surprised to learn that fishermen in Manitoba do not want to see the government make such changes. In fact for the most part fishermen felt that the FFMC was working in their favour and should not be radically tampered with. The power of public opinion is sometimes awesome, and in this case it was powerful enough to change the opinion of a government of the like of the one that now, temporarily, occupies the corridors of power in Winnipeg.

The government of Saskatchewan also had some concerns regarding the operation of FFMC. But they were not concerns about the fundamental principle that the corporation represented. They were, instead, concerns with over-centralization of processing to the detriment of smaller processors in their provinces. However, I believe it can be safely said that some of Saskatchewan's concerns have now been ameliorated.

I believe that the principle of orderly marketing of freshwater fish for which the Freshwater Fish Marketing Corporation stands is important to the continued viability of the freshwater fishing industry in Manitoba and the other provinces involved. Orderly marketing protects the fishermen from the erratic behaviour of the free market, and in so doing ensures them a stable income. Of course, even orderly marketing cannot protect fishermen from ridiculous licensing practices on the part of a provincial government, nor can it protect them against the ravages of biological transfers that could occur should our country be unable to halt the progress of the Garrison diversion in North Dakota.

I have no doubt that the FFMC has made a large, very positive difference in the lives of freshwater fishermen in Canada. While there were definitely some bumpy years and, I think, some bad decision-making by corporation management, I have no doubt that the FFMC is now well on line. I would strongly oppose any moves made to change its set-up fundamentally and so, too, would a vast majority of fishermen.

There is some room for change and for improvement, but there is absolutely no room to allow the dismantling of the FFMC. To return to the pre-1969 system would be to religate thousands of freshwater fishermen to a poorer quality of life.

Let me give one illustration. During the campaign I visited Matheson Island, an island fishing community on Lake Winnipeg. I remarked to the person showing me around on the number of very handsome large, new houses owned by the fishermen. Without hesitation he told me that these houses had all been built since the FFMC had been set up. Further down the island he pointed out some small, very run-down shacks. These were the houses that had been owned by the fishing companies and which the fishermen had lived in before the establishment of the marketing board. Fortunately, no one is forced to live in such buildings any more.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate Chamber.

● (1810)

And being returned:

Madam Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-39, an act to amend the Bank Act and the Quebec Savings Banks Act—Chapter 12.

Bill C-19, an act to amend the Employment Tax Credit Act—Chapter 13.

Bill C-35, an act to amend the Regional Development Incentives Act—Chapter 14.

Bill C-7, an act to amend the Saltfish Act—Chapter 15.

Bill C-15, an act to amend the Livestock Feed Assistance Act—Chapter 16.

Bill C-22, an act to adjust the Accounts of Canada and to make related amendments to certain Acts—Chapter 17.

Madam Speaker: The hour provided for the consideration of private members' business has now expired. Therefore, I do now leave the chair until 8 p.m.

At 6.10 p.m. the House took recess.

• (2000)

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

BUSINESS OF THE HOUSE

Mr. Penner: Mr. Speaker, I rise on a point of order. The Standing Committee on Indian Affairs and Northern Development has been meeting all day to hear witnesses and to study clause by clause Bill C-26, a bill of great importance to the Fort Nelson Indian Band of British Columbia. At 6.30 this evening the work of that committee on that bill was completed. At this time I would ask the unanimous consent of the House to revert to "Presenting Reports of Standing and Special Committees" so that the report could be tabled this evening.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. Hon. members have heard the request made by the hon. member for Cochrane (Mr. Penner). Is it the pleasure of the House to agree to the request?

[*English*]

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

First report of Standing Committee on Indian Affairs and Northern Development—Mr. Penner.

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

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1980-81

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, be read the third time and do pass.

Hon. Don Mazankowski (Vegreville): Mr. Speaker—

Some hon. Members: Question.

Mr. Mazankowski: I understand the question will be put later. However, I appreciate the enthusiasm of hon. members across the way.

I want to begin by first associating myself with the comments made by members on this side of the House, particularly the hon. member for Mississauga South (Mr. Blenkarn). I wish to reiterate the very deep and genuine concern that we on this side have regarding the passage of this bill, which provides spending or borrowing authority of some $12 billion, without having been given some details as to the future plans of the government. As my colleague for Mississauga South indicated, we are giving the government carte blanche authority without having any definitive program outlined in terms of what the spending program will be, and with the lack of a budget, and so on.

I found it rather amusing when the spokesman for the New Democratic Party, the hon. member for Broadview-Greenwood (Mr. Rae), said that the people of Canada had been cheated by the introduction of this bill. I find that rather strange coming from that corner of the House. I think it is fair to say that if anyone has been cheated, the people of Canada have been cheated by the activities of the NDP opposition—

Some hon. Members: Hear, hear!

Mr. Mazankowski: —when not too long ago they exercised their political opportunistic tricks to defeat a government which was attempting to put the economic house of this country in order and to establish some sanity and stability in terms of where we are going in so far as reducing the deficit, and putting into place some discipline in the spending and taxation in connection with the fiscal and monetary policies of this country. This is the typical hypocritical doubletalk we hear from that side of the House. It has become a very significant trademark for that group of people. I must say that particular caucus is the champion of doubletalk and hypocrisy.

We are talking about a lot of money here. When we talk about a bill like this in the House of Commons, we have a tendency to overlook the significance of a million or a billion dollars. It is always very difficult to try to put a billion dollars or a billion of anything into its proper perspective. About a year ago I came across a little definition of a billion which I thought was rather significant. I would like to place it on the record because it does put into perspective the magnitude of a billion. The little definition goes like this.

It is entitled "What is a billion?". A billion seconds ago, the first atomic bomb had not yet been exploded. A billion minutes ago, Christ was still on this earth. A billion hours ago, men were still living in caves, yet more than a billion dollars ago, in terms of federal government spending that was one week ago. I think that brings into focus the magnitude of a billion. If you

were to stack a billion dollars one on top of the other, I could not imagine how high that would be, but it would certainly be a very significant pile of dollar bills.

Mr. Bussières: What do you have to say about relativity?

Mr. Mazankowski: There is another rule, in Beauchesne, which says members should be given sufficient latitude to make their point. That is precisely what I have attempted to do. This bill should not be passed until a budget has been presented to the House. It should not be passed until we have heard from the government a statement of its fiscal and monetary policy. I am not sure we have passed the 1978 budget in all its details—

● (2010)

An hon. Member: No!

Mr. Mazankowski: My hon. friend says no. So the last budget we passed in detail was the 1977 one. Moreover, earlier today the minister left us with the impression that there is no assurance of a budget forthcoming this fall. So where are we going in terms of an economic and financial program?

There is a second point and one which is clearly related to our economic fortunes. It is the lack of an oil pricing agreement.

Mr. Blenkarn: We had one.

Mr. Mazankowski: We had one in December. Since then there has been shilly-shallying and wavering. We are farther away from agreement now than we ever were last year. What are the priorities which guide this government?

Mr. Blenkarn: They have none.

Mr. Mazankowski: We have been dealing with housekeeping legislation. I thank my hon. friend from Mississauga. He has made a couple of good speeches and he is helping me with this one. His interventions indicate the depth of his feelings on this legislation. A great deal was said in the Speech from the Throne, but no concrete proposals have been forthcoming to put those varied promises into effect. In spite of all the hoopla at Winnipeg, nothing came out of it to indicate where Canada was going, and I must say westerners are increasingly suspicious of the government. There is not much to boast about in terms of what the government has done for the west. The Speech from the Throne talks about the development of our economic potential. That is sheer rhetoric, Mr. Speaker.

I could quote a passage from a popular magazine in Alberta, *The Alberta Report,* a magazine which I will bring to the attention of all those who claim to be interested in Alberta. It points out that notwithstanding the government's professed renewed commitment to western Canada, over the last 12 years the Liberal party while in power has made every conceivable attempt to destroy western Canada. The Western Economic Conference in 1973 committed itself to expand markets for chemical and agricultural products in the United States. But it provided nothing.

The same Liberal government promised to improve the grain transportation system. The last year in which this new-old government held office was the worst on record in terms of grain movement. It cost hundreds of millions of dollars, as well as a lot of our reputation.

An hon. Member: You seem enthused.

Mr. Mazankowski: I am enthused because I have a very deep feeling about this doubletalk. I heard someone suggest I should talk about the rest of Canada. I thought members over there wanted to know more about western Canada. They say they are committed to western Canada. I would give them a lesson, if they would shut up and listen. This is the government which in 1974 vigorously opposed wage and price controls—and then introduced them. This is the government which promised federal aid to municipal transport systems—and produced nothing whatsoever. It is the government which, in 1968, called for restraint—and in the next ten years quadrupled government spending. It is the government which, elected after pledging an increase of less than $4.50 per barrel of oil, now says that it meant less than $7.50. That is in a report from *The Alberta Report* of May, 1980. That is not coming from my lips. That comes from the lips of a dedicated, earnest, and committed publisher in Canada who has witnessed the history of this country and who has seen what is happening.

What are the priorities of the party over there? What about a deep sea fleet? The minister says he is in favour of it, but the rest of the cabinet says we cannot afford it. What about improving the marine sector? There has been no statement of policy from the Minister of Transport (Mr. Pepin). What are we going to do to improve the operations of the Seaway and give its users a greater opportunity to manage and operate it? What about the coastguard service? What are we going to do to improve the effectiveness of that service, particularly in terms of re-equipping the coastguard fleet which, like the state of our armed forces, has long been deteriorating?

The rhetoric we read in the Speech from the Throne has not been followed up by definitive proposals. The only thing we have heard is the Minister of Energy, Mines and Resources (Mr. Lalonde) fanning the flames and warning the provinces, comparing the actions of Alberta to the seperatists' motives in Quebec—I hope I do not see the minister nodding his head in the affirmative. The Minister of Transport suggested that Alberta is engaged in a war over economic sovereignty and compared it with Quebec. Shame on that minister! The fact was, they wanted it their way or no way at all. And at the same time the Speech from the Throne lectured us on the need to represent the nation to the west. I ask the government to do likewise—to represent the nation to the west and also to represent the west to the rest of Canada, particularly in the House of Commons and in the hallowed halls of the cabinet.

What are we offered? There is the ludicrous proposal of twinning. I say it is preposterous and insane. If that is representative of the actions we can expect in the future, I am sure the great desire of members opposite to attract political support in western Canada will not get off the ground. All we

have heard is double-tracking and doubletalk, and the doubletalk has caused uncertainty in connection with projects such as the one planned for Prince Rupert. The Prince Rupert port development has probably been deferred for a year or six months. I notice that an article which appeared in *The Globe and Mail* of May 29 said the site preparation planned to start this summer will not get under way at least until fall. Why? The deal has been made but, because of some little detail, the whole thing has been placed in jeopardy and deferred.

Consider the position of the government with respect to branch line retention or abandonment. It is interesting to note that in Winnipeg over the weekend the party opposite took the position that the Government of Canada should reaffirm the present guaranteed status accorded to prairie branch lines so that all branch lines now in the permanent system might remain in that system. Mr. Speaker, if participatory democracy means anything to the government, the Minister of Transport should not now be undertaking a review of a decision which was made by the former government, one which is now the law of the land.

They have cast confusion over the development of Roberts Bank. They cannot get their act together. What about the coal deal in northeastern British Columbia? There is a lot of huffing and puffing, but no action.

● (2020)

We do not know who in this House is responsible for grain transportation. The Minister of Transport says he is not responsible, but in the same breath he says he has to answer. The hon. member for Sarnia (Mr. Cullen) would do a much better job. We wish he were in the cabinet—

An hon. Member: So does he.

Mr. Mazankowski: —because I think he would go out and learn. The hon. member for Timmins-Chapleau (Mr. Chénier) does not have to talk because he knows that when my party was in office, and particularly through this former minister, we looked after all regions in Canada, including his own home town.

Mr. Corbin: It took you only three months to take away my passenger train service.

Mr. Mazankowski: That was an initiative which was started by the hon. member's government. Why does he not talk about the passenger services which we retained and which we expanded?

Mr. Corbin: And you did not finish our airport.

Mr. Mazankowski: If I had had another six months, I probably would have given the hon. member his airport, and I would not even have needed a twin to do that.

Some hon. Members: Hear, hear!

Mr. Mazankowski: One of the first things this government did when it assumed office was to announce a reduction in the initial prices of wheat, and then in its press release it said that it was increasing the initial price of wheat. It was increased from the government's original initial price which it announced. We increased it, but hon. members opposite reduced it back to the old level. We increased the initial price of wheat from $3.50 to $4.25. They came along and reduced it. How can the people of western Canada have any faith in this government?

What about the two-price wheat system? We were in the process of establishing a minimum floor price of $6 per bushel based on the cost of production and the realities of the marketplace. This government came along and established a minimum price of $5 per bushel. Our proposal was to have been put into effect on February 1, 1980, and if that had been the case the farmers of western Canada would have been $25 million richer. Under this administration they are $25 million poorer, and the range of $5 to $7 is outdated before it has even been implemented because, right now, international markets indicate that the price of wheat is close to that figure of $7, and it should go up.

Everyone in the grain trade would indicate that wheat prices should go up, and that is why it is important that this government get on with the job. We increased prices, and we were well under way in working out a satisfactory international grains agreement. I wish the minister in the other place, who was a strong advocate of that, would now be as ambitious in that regard as he was when he was in opposition.

What is really happening right now is that the western farmer is subsidizing the consumer. Farmers are selling their wheat domestically at less than the international price. That is not the only commodity with regard to which we have that anomaly. Oil is the other commodity which is sold at less than the world price. As a matter of fact it is sold at about 40 per cent of the world price. Why is it that two commodities which are very precious to western Canada are sold at prices which are far below the world price? In the case of oil the percentage is about 40 per cent, and in the case of wheat it is 20 per cent. Those are our major commodities. Last year the increase in the price of oil did not even reflect the inflationary factor. I believe the inflation rate was about 9.5 per cent, and the price of oil went up 8 per cent.

This Minister of Energy, Mines and Resources in this House and across the country compares Alberta to Kuwait. He accuses Albertans of being selfish and greedy and of being fabulously rich. He also says that Alberta is not sharing and is not prepared to share. In other words he is desperately trying to pit the rest of the country against the province of Alberta. I see that as being very despicable. As a matter of fact it is almost treasonous. I want to deal with that issue because, as I said before, there are two commodities which are produced in western Canada and which are sold domestically at far below world prices, and I challenge any hon. member opposite to tell me what other commodities are sold on that same basis in the country. Let them name them.

An hon. Member: Asbestos?

Mr. Mazankowski: Is it any wonder that there is a feeling of alienation and a sense of frustration, both political and economic?

Mr. Cousineau: It is still Canadian oil.

Mr. Mazankowski: Westerners cannot understand why they must pay at least internationally competitive prices and in many cases more for commodities which are sold to them from eastern and central Canada. We do not mind that. That is fair, but what is sauce for the goose should be sauce for the gander. It is a reciprocating deal.

This government gets down on its hands and knees and pleads with Mexico to sell us more oil at the world price. What benefit does that give Alberta, western Canada, or any region of Canada? I do not understand the eagerness. At the same time hon. members opposite deny oil price increases to realistic levels. As a result they are scuttling development. They are scuttling megaprojects which are very important. As a matter of fact I am told that the deferral of two megaprojects, the oil sands and the Gold Lake heavy oil project, is costing the Canadian economy some $25 million every day. There is dislocation and unemployment.

On July 7 *The Globe and Mail* pointed out that any development in Alberta reaps benefits for the whole of Canada, and particularly for the province of Ontario. The article to which I refer reads in part as follows:

> Let us say that the oil price rises to the point where tar sands oil is economically feasible. One $7 billion Alberta oil sands plant would mean, to Ontario alone: $800 million for the iron and steel industry; $370 million for metal-working firms; $325 million for the transportation industry; $740 million for other manufacturers and processors; $750 million for the trade and service sector. That money would be working in the community producing consumer demands, making jobs, increasing government revenues.

Mr. Forrestall: And more dollars for us in eastern Canada.

Mr. Mazankowski: I will get to that. My colleague says "more dollars for eastern Canada", and that is true.

> In total . . . one $7 billion project like the proposed Alsands plant (now in doubt because of Liberal hesitation about oil prices) would generate $23.8 billion in economic activity. Of that Alberta would get $10.5 billion, Ontario $6.2 billion, Quebec $2.9 billion, and the other provinces the rest. "This is just one project. By the end of the century there could be another six similar projects plus one major expansion." For eastern offshore projects other provinces would take the Alberta share.

That is what is being held up as a result of the footdragging and waffling that is going on.

Mr. McKnight: More than we got from the F-18.

Mr. Mazankowski: What is tragic, in my view, is that we have a Minister of Energy, Mines and Resources who is not really the right kind of person to be negotiating an oil arrangement. I think he is too far abrasive and far too arrogant. Some have suggested that he has about as much negotiating skill as Idi Amin. He has fueled the flames of division and suspicion, and that does not augur well. We hear much about this minister suggesting that Alberta is not sharing, and that it is not prepared to share. That rings a rather sympathetic tune with consumers in central and eastern Canada, but the fact is that Alberta has shared, is sharing and will continue to share with the rest of Canada. What has happened is that these deliberate and antagonistic statements do not augur well for the future unity of the country, and certainly it is not in keeping with the euphoria after the recent victory in the province of Quebec. When the Minister of Energy, Mines and Resources suggested that Albertans merely occupy a territory, I found it an insult to our forefathers who came west when there was nothing but prairie and bush, and through sheer hard work and determination built a region and a province.

● (2030)

Some hon. Members: Hear, hear!

Mr. Mazankowski: Certainly we are fortunate to have oil under our soil, but when these resources were developed eastern financial interests turned their backs on western Canada.

Some hon. Members: Oh, oh!

Mr. Mazankowski: That can be well documented; it should not be overlooked.

An hon. Member: What has come over you?

Mr. Mazankowski: I feel strongly about this because the other side of the story must be told. The member's minister has been going about this country peddling a lot of bull, as we would say in Alberta. If we want to talk about sharing, since 1973 Alberta has forgone in excess of $17 billion in revenue as a result of the underpricing of its oil. That is worth $8,500 for every man, woman and child in the province of Alberta. That is sharing. Is it prepared to share? The answer is yes.

Under the arrangement worked out by our government, out of every $4 per barrel increase, $1.60 would have gone to the province, $1.24 to the federal government, and $1.16 to the industry, which would have represented a 50 per cent increase in federal government coffers. In addition it is important to note that Alberta agreed to phase in the increase in oil prices up to 85 per cent of the American price or world price over a period of time. It agreed to sell its natural gas to existing markets in central Canada at 85 per cent of the oil equivalent price and 65 per cent to any new markets for a period of five years. It further agreed to fund the extension of the gas pipeline from Montreal to Quebec City. Alberta agreed to accelerate oil sands development, pay for the infrastructure and invest $3 billion to $4 billion from the heritage trust fund in new oil sands plants to produce oil not for Albertans but for the rest of Canada.

Some hon. Members: Hear, hear!

Mr. Mazankowski: In addition, Alberta agreed to help finance five major energy projects in other provinces. Also it agreed to lend $2 billion over five years to a National Energy Bank. As well, it agreed to certain tax changes in oil companies which would channel an additional $400 million from Alberta to Ottawa.

What about co-operation? I must read part of an article into the record because many members opposite do not even read the Ottawa newspapers. On May 22, 1980, an editorial entitled "Barrels of Co-operation" appeared in *The Ottawa Journal*. I should like to quote from it because I think it is significant. It reads:

> With the emphasis so heavily on conflict between Alberta and the federal government on energy issues, one might get the idea that Alberta has missed no opportunity to make things uncomfortable for the rest of us. In fact, the opposite was the case in the past year. While conflict was talked, co-operation was practised.
>
> Amidst grave uncertainties about the supply of international oil, Alberta quietly permitted a 15 per cent increase in production of its fast-declining reserves of conventional oil last year. This spared eastern Canada from almost certain shortages of oil during the fall and winter heating season.
>
> It also saved the country from an additional half billion dollar payments deficit by substituting Alberta oil for almost twice as costly imported oil. But it helped run Alberta's reserves down to 4.7 billion barrels of readily accessible conventional oil and hastened the day—coming very soon—when the maximum daily production of 1.4 million barrels must begin to decline.

Here is an important footnote:

> The Alberta government has an ironclad constitutional right to limit the production of the province's oil to ensure adequate future supplies for its own residents. It can be argued that conventional oil reserves have reached the level at which a lower rate of production would be in everyone's interest—in that current output raises false hopes of domestic oil availability for the future.

Recently the Energy Resources Conservation Board issued a report which indicated that productive capacity will decline to a million barrels per day next year and to 966,000 barrels per day in 1982. The forecast indicates that conventional crude productive capacity will have declined to 688,000 barrels by 1985, and to 377,000 barrels per day by 1990. Indeed it is a fast depleting resource. When I heard the energy minister suggest that the tactics of Alberta can be compared to those of the separatist movement in Quebec, I found it insulting, offensive, and I do not think it is very Canadian on the part of that minister over there.

The government of Alberta has every right to insist on a fair deal—a realistic price for its energy resources. It has every right to receive its legitimate share of the revenues. Surely it is non unCanadian to defend that position. As a matter of fact, it is in its own interest in terms of the constitution, and in the Canadian interest. As I pointed out, it is a fast diminishing resource. If the shoe were on the other foot I am sure the federal government would be taking that same position.

We must not be blinded by the fact that we simply look at price alone. The key is the security of supply, the ability to shift to alternate forms of energy and the ability to develop new sources of supply so that we can become self-sufficient in fossil fuels. Alberta is prepared to do its part. It is prepared to share, it has shared, and it will continue to share. I must insist that the agreement reached by our government and the province of Alberta was and still is in the best interests of Canada, Alberta, the region and all Canadians, so that we can go on developing, building and achieving the goals outlined and enunciated in the Speech from the Throne, have security of supply, to bite the bullet and face the issue, not hide behind some cheap political trickery which embarrasses the government at the present time.

An hon. Member: Swallow your pride.

Mr. Mazankowski: Why does the government not swallow its pride and get on with the job? It should get the deal made so that we can carry on building, so that the projects can go ahead, so that there will be jobs in Alberta, British Columbia, Newfoundland, Ontario, Quebec, and the Atlantic provinces—all of Canada. That is my appeal to that group over there. I hope they are listening.

Some hon. Members: Hear, hear!

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, at first I did not intend to rise and address Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81. It would provide the federal government with the power to borrow $12 billion. However, I feel I must rise a second time. I spoke on this bill during second reading stage, and I should like to address it during third reading stage with some brief comments. I hope it will go through tonight.

It was my understanding this was pushed rapidly on us because in fact the federal government is broke. It does not have adequate funds to run this country of ours. Another thing which prompted me to rise and speak on third reading is that the Liberal government was so much in a hurry to get this bill through that it had a motion to close debate on it and therefore cut off second reading debate. They did this for a couple of reasons. The first was that it was an embarrassment to them, the fact they had to borrow $12 billion to run this country. The second was that the government is broke and it needs money. In fact we are a bankrupt country at this time.

● (2040)

We have things like housing overruns which CMHC cannot pay—the minister responsible for the Canada Mortgage and Housing Corporation has reflected that in the province of Saskatchewan which has asked for funds to come into that province to cover the cost overruns in housing projects administered by the Saskatchewan Housing Corporation, under the responsibility and funding of the Canada Mortgage and Housing Corporation. In fact I submit to you that this federal government could not pay the province of Saskatchewan the money it has due coming to it, and therefore the Saskatchewan Housing Corporation is put in the uncomfortable position of not being able to pay off some of the housing contractors who were involved in housing projects in Saskatchewan. I hope with the passage of this borrowing authority, to borrow $12 billion for the federal government, the minister will in fact take note of that and listen to what we have been saying for years and years in the House, since he is here in the House tonight, and make sure that the Saskatchewan Housing Corporation is paid the funds that are due to it so it can in fact pay off those debts.

The other things I can think of, Mr. Speaker, that are directly concerned with the constituency I represent, include a school on the Thunder Child Reserve which was approved by Indian Affairs some five years ago, and the Treasury Board has kept bouncing it back, bouncing it back for reproposal from Indian Affairs, and coming back to the reserve. The

reserve school at Thunder Child today has been condemned by the federal Department of National Health and Welfare, as well as the Saskatchewan department of health. They have an open cesspool at the school no more than 100 feet away from where the students have to attend. The conditions on that reserve as far as educational facilities are concerned are absolutely deplorable. This is another thing I hope Treasury Board will finally approve funding for which they have already agreed to in the capital expenditures of Indian Affairs, a department which does not have the money to pay for it.

I would like to quote something from a politician in this House who was referring to the financial position of the government. That politician says that this deficit is not here curiously enough because of excessive government spending. Government expenditures increased dramatically in the past since 1974, but it is under control; I think reasonably under control, and yet we are still running a deficit. "The reason is that our tax base is so eroded on the revenue side."

These are words, to my surprise, not of the Conservatives who sit to our extreme right, but words of the minister in charge of the Treasury Board, the President of the Treasury Board (Mr. Johnston). He says this deficit is not here, curiously enough, because of excessive government spending, but government spending has been excessive over the past decade and it has reached the point now in the 1978-79 fiscal year that public accounts show we have been spending a deficit of over $16 billion. Mr. Macdonell in the Auditor General's report suggests that spending is totally out of control. I hope the minister in charge of the Treasury Board will recognize that. It is not under control, he says in the second part. He says that the reason the tax base has been eroded, and I can agree with that part as it certainly has, is some of the things that happen within this country. I think we have to look at things such as indexing, which is very controversial lately and which arose from this House. The New Democratic Party is in favour of indexing, but we are in favour of a just indexing. The indexing implemented by this government was an indexing that helped those who do not need the help. The indexing the government has been advocating was indexing for people who have the least amount of income and get the least amount from indexing. The people at the higher levels of income, $60,000 and $70,000 per year, would get the maximum benefits from indexing.

To the New Democratic Party that is not a just type of indexing. The type of indexing we agree with is the type of indexing where the people at $70,000 and $60,000 per year income do not need any indexing and certainly do not need the benefits of it. The people who need the benefits of indexing of taxation are those in the lower income scale; those earning $12,000, and those earning up to $20,000 a year should receive the maximum benefit from that.

I think something else which has eroded our tax base, and where there has to be more equity in our tax system, is the many corporate loopholes out there today, not in small business and not in family farms necessarily, but in the larger corporations, indeed in the larger international corporations which account for the $75 billion in foreign ownership in this country, and which stimulate billions of dollars in foreign profits that leave here every year. Those loopholes today we figure, to the best of our knowledge, account for some $16 billion in accumulated unpaid corporate tax. This country cannot afford that. We think that should this government choose to collect the corporate tax which is owing to the people of this country we would not have to approve supplementary borrowing power for $12 billion to help a bankrupt government such as we have here today.

I would like to ask the government to look at other things such as self-administered RRSPs. I think that is an important area where people who have some disposable income can invest in their own Registered Retirement Savings Plans. For example, those who are fortunate enough to own a home should be able to invest in that home each year at the anniversary date and write it off, as they would with an RRSP. I think that helps us in a few ways. One, it helps people reduce the amount of interest they are paying on their mortgages because they pay it off sooner at a much lower rate; they also own their homes within a shorter period of time and, therefore, have a larger disposable or discretionary income to use at their discretion, spending it on what they like.

Supposedly a house is one of the largest items the average Canadian family will ever purchase. If they did have this extra five or six or seven hundreds of dollars extra income ten years sooner than they normally would have it, they would be able to invest. Then we would have Canadians investing in our own economy. I think these are things the government has to look at so that our tax base is not being eroded, and so that we do in fact have money to run our country.

The supplementary borrowing power for $12 billion does not even cover the deficit I mentioned in 1978-79 as $16 billion, or in excess of $16 billion. That is a very large sum of money, enough to run the province of Saskatchewan for eight years.

I think at the same time we have to look at some of the inequities which the government has in its tax regulations and the way it collects tax. I would like to quote again from the President of the Treasury Board when he was referring to our income tax. He said that apart from this tragic lack of compassion and its zealous adherence to the letter of the law rather than its spirit, the Department of National Revenue has also demonstrated that it is prepared to adopt any position likely to result in the collection of tax dollars regardless of whether that position may be inconsistent with the position adopted in another case.

I want to cite a case that was brought to my attention by a constituent just this last weekend of the unfair taxation this government uses when it justifies taxation by whatever means it has to in order to help it get the tax.

I had a lady phone me on the weekend. She is a handicapped person in the city of North Battleford. She had applied one year for her excise tax rebate which she should get as a handicapped person. When she applied for it she found she could not receive it because in fact she had not paid for it; her husband's or family income had paid for it. Then she got credit

cards for the next taxation year and every time she travelled she would use the credit cards in her own name to keep track of what expenditure was made on her behalf in travelling. Because she was a handicapped person she should qualify for a rebate on the excise tax. She submitted the claim and the federal government approved it. They granted her $160, I believe the figure was.

In the last taxation year she applied again for the rebate and the answer came back saying she did not qualify for the rebate because, although she made the purchases in her name, it was her husband's income or her family income that paid for it; she had no income to pay for that petroleum, or to pay for that gasoline, so she could not claim the excise tax. They did not only refuse, but they wanted to collect the money which they had paid to her one year before that. That is unfair.

● (2050)

What they are saying is "Pay back money when you don't have an income". That is what they told her in one case, that she did not qualify because she did not have an income. Now they want her to pay back money on an income which she does not have. This government must decide whether it wants to use individual income or family income, but it should not use whichever alternative suits its needs. I think that is unfair.

Such action tends to encourage people to look for ways to cheat a system which is unjust and treats people unfairly. I do not mean to be critical, but we should have some remedy to overcome this erosion of the tax base. It is not fair that 10 per cent of the population has 60 per cent or more of the wealth in this country. Of the other 90 per cent, some of them have nothing. That is unfortunate for many Canadians, particularly those in the 90 per cent portion. The other 10 per cent does not care too much. However, they must influence the fiscal policy or taxation policies of this government.

We must overcome this problem of each year having to approve supplementary borrowing power so that the government can pay its debts or honour the commitments it made. We must achieve full employment within this country, or at least stop the high rate of unemployment which we are so rapidly achieving through the regressive actions of the Minister of Industry, Trade and Commerce (Mr. Gray). I am thinking particularly of the people in the automobile industry in places like Windsor and Oshawa where these people, for two or three generations, have been dependent upon the automotive industry. Now their jobs are being taken away from them. These people do not know where to turn, and the federal government is not being very responsive to their situation.

There are many small businesses and medium-size companies which have been affected by the high interest rates or the non-action pattern of this federal government in terms of interest rates. We must look at ways to achieve full employment through an industrial strategy. I would like the federal government to lay out at some point their industrial strategy so that we can make some long-term economic plans and develop an economic policy which will gain full employment for all Canadians. As I mentioned earlier, there must be some equity in the taxation system. It is unfortunate that a handicapped person is cheated by this government. I have asked the minister for leniency in this case and other cases, such as the case I cited of the woman in North Battleford.

We must also gain effective control of our resources. We have talked in this House about energy self-sufficiency, but I do not know how we are going to attain that goal. The New Democratic Party has a policy which we have laid out before, but I will not go into that now. Certainly the policies of this government do not attain energy self-sufficiency for Canada.

It is unfortunate that there are other inequities within our taxation system. It is something which I have mentioned in this House before and which I will mention again, because it ties in so closely to overcoming the large deficit which we have in this country. I will say again, as I said before, that Saskatchewan has to pay an export tax every time it sends a barrel of heavy crude across its borders. The reason we export our heavy crude is because there is no petroleum upgrading station in Saskatchewan to upgrade this heavy crude to a state where it can be used.

However, this is a project on which the Saskatchewan government has been working in conjunction with Petro-Canada and Husky Oil, a wholly-owned Canadian company, but it has not reached the stage of operation yet. When that barrel of heavy crude oil crosses the Saskatchewan border, there is an export tax. Of every barrel of heavy crude which crosses Saskatchewan borders, $22 goes to the federal government, $6 goes to the provincial government and something over $6 goes to the oil company. That is unfair to the province of Saskatchewan, that such a disproportionate share should go to the federal government.

Actually what is being exported is not heavy crude, it is energy. There is no export tax on other forms of energy which are exported out of Canada. When Alberta and British Columbia export trillions of cubic feet of natural gas to the United States, they are not charged one cent in export tax. That is discrimination against Saskatchewan. When Ontario and Quebec, I imagine, export power, energy which is generated by nuclear stations or by hydro dams, they are not charged one cent in export tax. Certainly the money which is raised from that export tax goes to subsidize the cost of energy needs in eastern Canada.

An hon. Member: Oh, oh!

Mr. Anguish: I would appreciate it very much if the members to the right, if they do not know what they are talking about, would please keep quiet until I am finished. They will have a chance to speak once I am finished. We must also take a look at processing our raw resources at home.

Getting back to the Conservatives, I would like to say that the Liberals are not only to blame. The Conservatives are much more to blame with their terrible policies with which they tried to destroy this country. The people to my extreme right in this House have no room to talk, no room whatsoever. They wanted to charge Canadian people for their oil at the

world price, something they talked about prior to the election campaign, but the people of Canada said, "You're wrong".

An hon. Member: Moan and groan.

Mr. Anguish: The federal government should take a look at the policy of processing our raw resources at home and not ship them out of the country, which would provide employment.

Some of the Conservatives to my right have mentioned the socialist government of Saskatchewan. I would like to correct them and inform them that it is a democratic socialist government, and I will dwell on that province for a few moments. We are looking at a province, as I mentioned when I spoke on this bill at second reading, which has a democratic socialist government and which was bankrupt in 1944 because of a Liberal government which followed a Conservative government.

An hon. Member: They're both the same.

Mr. Anguish: They are both the same, so it does not matter anyway. Now Saskatchewan has a surplus budget, not the deficit budget—

Mr. McKnight: What year was it surplus?

Mr. Anguish: —which the Liberals bring in and the Conservatives advocate.

Mr. McKnight: What year was it surplus?

Mr. Anguish: I think, Mr. Speaker, if the hon. member for Kindersley-Lloydminster (Mr. McKnight) wishes to drink and come into this House and make accusations—

Some hon. Members: Oh, oh!

Mr. Anguish: —then he should stay in the outer area.

Some hon. Members: Oh, oh!

Mr. Anguish: I would like to say in closing, Mr. Speaker—

Mr. McKnight: Mr. Speaker, on a point of order, if I heard the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) correctly, and I would like to check the blues—I hope I did not hear him correctly in the statement which he made—I will be magnanimous and offer him the opportunity—if he did make that statement because of passion or because he was upset and not able to control himself—to consider his words again. If he does not withdraw them, I will have to take further action.

Mr. Anguish: Mr. Speaker, what the hon. member for Kindersley-Lloydminster heard is correct. That is what I said. I would like to offer my apology to him. I would like to withdraw my remarks. It was in the heat of the debate and, also, by the way the hon. member addressed me as he came into the chamber, I made assumptions and accusations for which I apologize.

Some hon. Members: Hear, hear!

Mr. Anguish: In conclusion, before I get myself into any more trouble, the reason that we would like to see this legislation for supplementary borrowing authority go through tonight is the fact that it would place our government in a very embarrassing position if we could not pay our bills. I am a proud Canadian as, I am sure, are the other members of this House, and I would like to see this bill pass this evening.

Mr. Bill Wright (Calgary North): Mr. Speaker, as this is my first opportunity to address this House formally I would like to add my congratulations to those of many hon. members who have congratulated you and Madam Speaker on your appointments. At this time I would also like to wish the Minister of Finance (Mr. MacEachen) well. I understand that he is in hospital. I sincerely hope that he is out and back in this House before too long.

I would like to draw the attention of the House to the previous member who represented Calgary North, Hon. Doug Harkness, who served in that capacity from 1953 until 1968. I am told by many members in this House that he was one of the best ministers of defence that Canada has ever had. I would like to also draw the attention of the House to my predecessor, Hon. Eldon Woolliams, who served here from 1968 until February, 1980. I know the gentleman personally. I am sure hon. members will agree that he served honourably. His expertise in many areas such as justice will be remembered for a long time.

• (2100)

Some hon. Members: Hear, hear!

Mr. Wright: Mr. Speaker, I should like to talk about Calgary and my riding of Calgary North for a moment. Much mention has been made in this House of Alberta generally and of some of its cities, but hon. members should know that most of the people who live in the city of Calgary come from other parts of Canada. Indeed, many people who live in Calgary North do not come from there originally. It may be a surprise to some to learn that 30 per cent of the residents of the new area, Calgary North, come from Ontario and Quebec. We know this because we had to check the figures recently due to some problems we were having with the postal service.

There are many exciting things about Calgary, foremost of which is the Calgary Stampede. Last weekend a member of cabinet attended the stampede. He had occasion to ride a horse, and I am told that he laboured at it for four hours. In case hon. members probably do not know to whom I refer, I must add that he was a good sport about it.

I should like to turn now to Bill C-30, Mr. Speaker, which was introduced by the Minister of Finance on May 22. In his brief remarks on that occasion the minister told the House that he would like to borrow $12 billion, but he gave no reason. We have asked, both in the House and in committee, what he intends to do with the money, but we still have not had an answer. He came like a beggar in the night asking for money, but we cannot find out what he wants to do with it.

This borrowing bill seeks authority to borrow $12 billion for the fiscal year 1980-81. It also seeks authority to borrow in foreign currencies. We have asked about that also and have received a number of answers.

On May 27 when the minister spoke on the second reading of this bill, in a reference to clause 2 he said, as reported at page 1478 of *Hansard:*

> This clause, the one to which I referred, will serve to confirm the authority of the government to borrow and repay loans in currencies other than Canadian dollars.

That indicates to me that this government wishes to borrow in foreign currency. When we put the question in committee, however, we were told that it did not, that it was only for the exchange fund.

I should like now to make reference to the mini budget brought in by the Minister of Finance, Mr. Speaker. This is not where this borrowing is coming from. When he brought in his mini budget on April 21 the minister told us that revenues this year will be approximately $45 billion, up from $40 billion, for an increase of 12.5 per cent. He told us that total expenditures will be $60.4 billion, up from $53.1 billion, an increase in excess of 13 per cent.

Why is the government spending more money than it is taking in, Mr. Speaker? Why must it borrow? Is it due to the heavy service cost of debt? At the present time 20 cents of every tax dollar goes to service the debt. I do not know why we cannot pay as we go along. Is it because of the increased oil consumption or oil import compensation which now stands at $3.5 or $4 billion, an increase from $1.5 billion a year ago? And we do not yet know what the cost will be because we do not have an oil agreement.

The deficit which the minister discussed and which is related to this borrowing bill has increased from $11.4 billion last year to $14.2 billion this year. The minister said recently in this House that the deficit could even be higher, so he is not sure about it any longer.

Does the government really have to borrow $12 billion? Let us look at the facts, Mr. Speaker. As of April 1, 1980, approximately $2.9 billion was available in unused borrowings. According to the staff of the Department of Finance there was approximately $90 million left by July 1. This means that in the three months from April to July the government spent approximately $1 billion per month, or $33 million per day. That is more than they took in.

Why will the government not produce a budget, Mr. Speaker? They are spending 25 per cent more than they are taking in. Surely the public is entitled to see a budget, and surely this House should be able to examine that budget. We are now being told there may be a budget in the fall. But when is the fall? In Resolute Bay it is in August; are we going to get a budget in August? In Victoria, they do not have fall; they only have spring and summer. Ask anybody from Victoria about that.

We do not know when this budget will be brought in, Mr. Speaker. We have asked about it repeatedly but all we are told is that there may be a budget in the fall. We asked for a commitment on a date, but we did not get one.

Mr. Kaplan: When did you give the opposition a commitment?

Mr. Wright: No minister will give a commitment. All they will say is "maybe" or that they will try. Is it because they want to spend all the money first?

Mr. Kaplan: How did you handle it?

Mr. Wright: At the finance committee meeting the departmental staff went over some aspects of the borrowing by this government, and I should like to review them briefly. We were told that the public is prepared to accept up to $1.5 billion borrowing by the government at any one time. We were also told that they feel justified in coming to the market approximately eight times per year. That does not give them any leeway, Mr. Speaker. It adds up to $12 billion, a nice round figure.

Why is the Minister of Finance holding back? Is he afraid to bring in a budget at this time because revenues will drop? He told us that we will have zero growth this year, but some economists are predicting a 4 per cent decline in growth and we know what that will do to revenues. He has already said expenditures may be higher than he forecast. That is why he does not want to produce a budget and is saying "maybe" we will have one in the fall. Well, maybe we will not. Maybe the government will just spend the money and again ask for more borrowing power.

What is the government going to do with the money, Mr. Speaker? We cannot find out from them. The government has been accused of pork-barrelling. Is that where the money is going? Is it going on such things as shifting a uranium plant? Is it possible that it is going to pay the costs of moving offices to Charlottetown for Liberal supporters? It is possible it is going to pay the expenses for members of the government who are twinned with Alberta, to travel back and forth on government business? I do not know. The minister will not answer these questions. Maybe that is what it is for. We would be more than happy to see hon. members out there, but not on government business. They do not represent that area.

• (2110)

Is the Minister of Finance holding up the budget because there is no oil agreement with Alberta? He has alluded to that, but that is no reason. The problem lies not with the Minister of Finance in this case, but with the minister of energy. The minister of energy will not conclude an agreement. The hon. member for Vegreville (Mr. Mazankowski) talked about this problem, and he mentioned how Alberta has paid out or forgone large amounts of funds over the years.

I would like now to refer hon. members to another part of Canada in the early 1900s. I am speaking of the maritimes. At that time maritimers were well off. It is not just Alberta now. Back in the 1900s the maritimes had large amounts of hay which were exported. The maritimes also had coal and ships,

but they do not have those things any more. They did not allow for the day when they would not have those assets. At the present time the maritimes have a growing and important pulp industry which will keep growing. But if we could take that pulp industry and compress it into ten or fifteen years, I ask what would those people want for their pulp? I can tell you they would want a much higher price, and they would want to put aside the funds so that they would have the funds when the pulp was gone.

Some of the hon. members across on the other side may laugh, but there are many people in the maritimes who are not laughing. When I lived in Inverness 20 years ago it had an unemployment rate of 25 per cent, and it still has 25 per cent unemployment. That is not speculation, that is a fact.

When the minister of energy brought forth this *force majeure* clause, he cut off all negotiations. Quite honestly, one does not negotiate like that. I suggest to the hon. members on the other side that they should speak to the minister of energy and tell him that this is no way to negotiate in good faith. People do not go around making rash statements or belittling people, whether they are individuals or governments. It is no way to deal as one Canadian to another, as one province to another, or as one government to another. Unfortunately this is what the minister has done. I do not mean to stand here and belittle him because I now live in Alberta. It is a fact of life that the only thing that was discussed during the last weekend I was in Alberta when the Calgary Stampede was on and we went to a number of receptions, was the oil and what type of a minister is negotiating on behalf of the people.

People do not want someone to come to them and say, "This is the way it is." I was in the room when Mr. Leitch, the Alberta minister of energy, received a phone call. I was sitting ten feet from him. He walked to the phone and came back within three minutes. Mr. Leitch is a man who does not anger, and he was red in the face. Everyone knows, and I believe even the minister of energy will tell you, that Mr. Leitch is a reasonable man. That is no way to negotiate the future of our country, Mr. Speaker.

I would now like to return to the subject of the total debt in Canada. It is unbelievable that we have something over $80 billion in total debt in this country. This represents $3,000 for every man, woman and child. I have asked the Minister of Finance what is a good or a reasonable amount of debt, and I have yet to receive an answer. I know the gentleman has more expertise in economics than I do. Therefore he should be able to say. I can guess. Every other member here can guess, but why will the Minister of Finance not at least say what is a reasonable amount? I know what our economists are saying. I know what the World Bank is saying and I know what the International Monetary Fund is saying, but what is the Minister of Finance saying? When he goes to Europe and talks to these people, they tell him what they think, but he does not come back and tell us anything. He has yet to reply to any of the questions in this regard.

The Prime Minister (Mr. Trudeau) promised spending restraints in 1968. At least six times afterwards he has promised the same spending restraints, and yet the total debt in Canada has risen from $500 million to over $80 billion. I ask where is the spending restraint? I am sure that there are many members on all sides of the House who recognize this danger. We are all concerned about it. We must start now to do something about it. We cannot put it off for our children to deal with it. We cannot put if off until other members come forth who are not afraid to act. We must act, because it is costing us too much. We cannot stand this burden. The governor of the Bank of Canada stated on May 29, 1980, at page 3:7 of the Proceedings of the Standing Senate Committee on National Finance, the following:

> Our greatest problem lies in recent economic history. When one looks back over the past 25 years it is clear that the basic trend has been toward higher inflation. This tendency predates current popular explanations of inflation like oil price shocks or beef cycles. There is little doubt that the key reason for this slide toward ever more inflation was an effort by public policy—

What he says next is the most important part. His sentence continues:

> —in most countries to achieve and maintain more output and employment from their economies than was consistent with price stability.

Even the governor of the Bank of Canada is telling us that we have to have more restraint.

In the Bank of Canada's annual report Mr. Bouey says that if there is not a curb on public expenditures, capital investment on equipment and machinery sectors will be adversely affected. In other words, the large amount of borrowing which this government has done over a period of 12 years, and continues to do, could be affecting the economy and the expansion of industry.

We are reasonable on this side of the House. We believe the government needs some funds. But how much does it need? The Department of Finance has already stated that about $1 billion is being spent per month. The Minister of Finance has said that he may bring in a budget in the fall. Let us assume that that would be October, which is four months away. This House should approve $4 billion which is enough to get the government through October when a budget is presented and then we, as members, can all examine this budget. We will be even more reasonable than the hon. member, the minister of industry. We will up it by 50 per cent. We will not only suggest $4 billion, which is all that is needed—and the finance department admits that—but we will make it $6 billion, and in that way there will be a surplus. If we do not get the budget by October, you will have an extra couple of months. That is being reasonable. We Canadians cannot go on forever and have our children pay for today's expenditures. We must show restraint. I appeal to members on all sides of the House to show restraint so that our children will not say that our governments did not know how to run the country, that they just knew how to spend money.

● (2120)

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise to speak on Bill C-30 because, together with other members on this side, I am totally opposed to this blank cheque type of borrowing. We must realize what Bill C-30

says. In paragraph (2) the minister is authorized to borrow money by the issue and sale or pledge of securities of Canada. That means the government is asking us to sign a blank cheque without knowing the type of securities they are going to give. Are they going to mortgage my home? Are they going to mortgage your home? Are they going to put our national parks up for sale? Are they going to sell our national resources? I would like to know that. They go on with "in such form, for such separate sums, as at such rates of interest" as they deem fit. I want to know what rate of interest they are going to pay. Are they going to pay 25 per cent, 50 per cent? Are they prepared to borrow at that rate? As an ordinary member of Parliament responsible for the purse strings, I should know that.

Here's a kicker. They can enter into any other terms and conditions as the governor in council, that is the cabinet, may approve. I simply cannot give anyone, with my responsibility to my constituents, a blank cheque like that.

I subscribe totally to the views expressed by the hon. member for Vegreville (Mr. Mazankowski). Members opposite should listen very carefully to that member because he did more for Canada as a country than their government has so far in total.

Members opposite might wonder why three Albertans rise this evening. It has to do with our unique history. Albertans learned through the depression what it means to have no money and no access to money from central Canada. We had to bleed. We cut and we bled. We know of what we are speaking.

I am convinced that the huge annual deficit of $14 billion, and the grotesque accumulated deficit of over $74 billion, are distorting all aspects of our Canadian life. Many people wonder how large a billion dollars is. To me, it is a thousand millionaires. When you look at the spending of our government at the national level, you find that we strip a thousand millionaires to their shorts every week with our budget. We strip a thousand millionaires to their shorts every month just for the deficit.

The annual deficit for 1980 will take the equivalent of every cent from 14,000 millionaires in this country. That is just the deficit. It does not pay for the ongoing budget of $60 billion. Members opposite, certainly the cabinet, would be wise to speak to Senator Manning of the other place if they want to find out how deeply we feel about balanced budgets in Alberta. They can speak to their own Senator Olson. He knows the western tradition. He will tell them what we learned about paying for things as you go. It means that future generations can have stability and a freedom to make decisions they might want to make in their time.

One might wonder why this deficit causes such distortion in our Canadian way of life. The first distortion is that the government has an unfair advantage over ordinary citizens and small businesses in particular when it comes to the marketplace. The reason is the government brings in bills like the one I just referred to whereby it can negotiate a loan at any rate, term or condition, and put up security that I as a businessman cannot and therefore have no chance of meeting that type of competition.

The other distortion that is absolutely major in this country is the distortion over energy. What we need in this country and should have by 1990 is about ten tar sands projects on stream. The cost of that would be something like $80 billion to $100 billion. We do not have that money. I want to explain why.

With regard to the oil situation, we have three sources. We have the light conventional crude that is left in Alberta, which is relatively easy and cheap to produce. We are producing about 1.2 million barrels per day and have about ten years' supply left. We have synthetic which again comes largely from Alberta. There is an unlimited amount of that in terms of reserves. However, production costs places this at the going world price at this point. Then we have the third supply, imported oil. We import about 450,000 barrels a day at the world price. Of one thing we can be absolutely certain. Within ten years Canadians will be paying the world price. When the light conventional crude from Alberta is gone, we pay the world price. We might be importing every barrel from another nation or we might be producing it from the tar sands, but we will be paying the world price.

This is where the tragedy occurs. We need to have the money from that 10 billion barrels of light conventional crude in order to fund the synthetic oils. With our accumulated deficit, we do not have $100 billion to put in the tar sands plants, so we need that money. To this point Alberta has already forgone about $17 billion. Where has that money gone? Has it gone into tar sands plants? Absolutely not.

Has the money gone into making central Canadian manufacturing plants more competitive? Do we meet world competition with that subsidy? The fact is we do not. Even if we did, we could say it was justified because central Canada could compete in the world, but it does not. We still need to have tariff protection for central Canada. That tariff protection impacts directly on us in the west because it means we have to pay more for all the products we get. That is the tragedy.

We in the west also have a belief that we own those resources. That belief might seem strange to members opposite, but they just need to read the constitution of the nation. I will read parts of section 109:

> All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the Union, . . . shall belong to the several provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in which the same are situate or arise—

In 1930, by an amendment to the British North America Act, 21 George V, chapter 26 Statutes of the United Kingdom, the same rights were extended to Alberta and Saskatchewan. We feel we own those resources just as Ontario and Quebec own theirs.

Another distortion that we face is the interest that we in this country pay on the national debt. As a result of the $74 billion we face the prospect this year of paying 25 cents or 25 per cent of every dollar in taxes in order to cover the interest on the debt. It will not reduce the principal by one cent. If we want to reduce the principal, we should probably be applying 50 cents

of every tax dollar. The government's hands are tied as a result of that so that they cannot respond to the real hardship. Now that we have real hardship in the automotive industry, now that our Saskatchewan and Manitoba farmers are hurt by the drought—

• (2130)

Mr. McDermid: On a point of order, Mr. Speaker. I wonder if you would call the government side to order and ask them to hold their committee meetings out in the lobby rather than in the House. We would like to hear the hon. member who has the floor.

The Acting Speaker (Mr. Ethier): The hon. member for Lethbridge-Foothills.

Mr. Thacker: Thank you, Mr. Speaker. I was pointing out how much money we spend on simply servicing the debt without reducing the principal. What that has done is to tie the government's hands at a time when there is a legitimate need for government to be involved. There is no doubt that the auto workers are hurting badly and that we should be in there helping them. There is no doubt that the farmers in Manitoba and Saskatchewan are hurting because of a catastrophe which could well be as bad as the depression of the 1930s. They need help. Agrobusiness is something I am more familiar with, and I know they need help.

The Trudeau years, the late sixties and seventies, were good time for Canada vis-à-vis other countries in the world. It was a time when we should have been balancing our budgets so that now, as the result of the OPEC distortion and all of that work through in the world economy, when we need to borrow money to help people, we would have balanced budgets so that we could go into debt legitimately and work our way through it. That is the way the system should work, and I believe that if there were a degree of honesty on the other side, even of common sense, that would be an irrefutable truth that they would agree to. I am convinced that as citizens each and every one of us, irrespective of the party to which we belonged, that we in the upcoming constitutional negotiations ought to protect ourselves from government. We have to protect ourselves as they did in the French revolution, as they did in the American revolution or at the time of Magna Carta, and what we should be insisting in our constitution is that a federal government, or any government, cannot have a deficit except in very restricted circumstances.

Some hon. Members: Hear, hear!

Mr. Thacker: One could agree in time of war. One could agree in times of real depression. And we would agree that in times of natural disaster the government should be able to go into debt, and perhaps even for capital projects which would be used by future generations. But for us to have gotten this far into debt, $74 billion—25 per cent of our tax dollars going to service the debt without reducing the principal—an annual deficit of $14 billion piling up—

Mr. Chénier: Repetition!

An hon. Member: You have to say it many times to get it over.

Mr. Harquail: You said you wanted order. Why don't you keep quiet? Get back to your seat so that we can listen to this man.

Mr. Thacker: We are obviously getting close to adjournment. But I was going on to say that for capital projects I would have no hesitation at all in going back to my constituents and saying, "Folks, I want to borrow this money because it is going to be used for capital projects; it can be paid for by future generations." But today, we are saddling our children and our grandchildren with a dept which will give them no benefit. To that extent we should all be able to agree.

The Prime Minister (Mr. Trudeau) spoke in Winnipeg of economic rights which should be enshrined in our constitution.

There is another distortion, Mr. Speaker. I believe these deficits are distorting the very fabric of our nation and the relationship between those who live in the west and those who live in the middle and those in the east. It is being distorted for no valid reason. The other cause for concern is high interest rates. People phone and write to me almost daily asking why they are so high and have to be so high. The reason is simply that Canada as a nation has a huge international debt. The debt has fallen due and we cannot pay off the note. We have to go hat in hand to the international money market and say; "Gentlemen, we cannot pay the principal; will you renegotiate it, will you relend it?" They say, "Gladly, gentlemen, because in Canada you have resources coming out of your ears; but the rate will be high." One of the members opposite was arguing that all countries have high deficits. But that does not make it right for this nation, Sir. We could have been the unprecedented leader had we stuck with balanced budgets over the last ten years. We could have been out of trouble because the hard truism is that if you do not owe the money you do not have to pay the interest. That is the lesson we know in the west.

Another distortion we continue to come back to arises because I am sure members opposite do not realize the great depth of feeling in the west over this energy situation. It goes back to our perceived feelings of ownership as set out in section 109. Ontario established that in the Supreme Court of Canada. Asbestos from Quebec, nickel from Ontario, hydroelectric from both the major provinces—all those things were sacrosanct even during the thirties when we were hurting badly. They were sacrosanct and we continued to pay world prices for those products. Now, suddenly, for the constitution to be ignored—seemingly we are to be under a different scheme—just does not sit well in the west. This is a very serious matter to which I urge members opposite to pay very close attention.

We in the west vote monolithically. We do not have that tradition of long-time Conservative, long-time Liberal adherence. It was the west that threw up the UFA in 1921, en bloc. We threw up the Progressives. We threw up the Social Credit in 1935, en bloc. We put in Peter Lougheed and his Conservatives in 1971 en masse. And, just like that, the west on this

energy question could crystallize around this Western Separatist Party. I do not mean to be an alarmist. I just mean to say to you, Mr. Speaker, as a member who has come down here to try to do my best for my constituents, that they feel very strongly about that.

An hon. Member: Hear, hear!

Mr. Thacker: Sir, can you imagine what might have been during the last ten years if we had had a government that faced reality? Governments should throw up proposals that they believe the people need and, coincident with those proposals, there should be a taxing plan so that the people can assess the programs, assess the tax, and decide whether they want the programs. If they do not want the programs they do not get faced with the taxes. If that had happened I think the people would still have chosen medicare, they would still have chosen to have a Canada Assistance Plan. But they would have been prepared to pay for it as it grew, and we could have had reasonable tax increasses over the last few years which would not have hurt us much as individuals and we would not be saddled today with this huge deficit. Governments learn by unscrupulous ways to raise money from the prairie people to whom they are proposing the programs, but not a corresponding tax. So these people are really paying for the program, but they do not realize it. What is unfair is that only certain people are paying for the program.

The Government of Canada owes approximately $16 billion of its deficit to the Canadian people and institutions by way of canada Saving Bonds. We owe approximately $18 billion as a deficit by way of treasury bills, and I think we owe about $47 billion to the general public. That is money that is owing to the Canadian people. If it cannot be paid, what is the alternative of the government? I presume its alternative is to have to cancel the debt so that the people of Canada or some of the people of Canada are going to pay, and it is going to have to be by expropriation.

● (2140)

When OPEC increased its prices, had the government levelled with the people of Canada and increased those prices on a reasonable basis as did Japan and Germany—and they still have the strongest economies in the world—we could be right up there as a world leader. We would not be 23 million people sitting on the assets of half a continent and yet going to the international community with our hat in our hand for 450,000 barrels of oil a day. It is absolutely immoral that we as Canadian people are into the international oil market when countries without a drop of oil such as Japan and Germany surely have a prior claim. The developing countries of the world have a prior claim. We should not be where we are in terms of having to import oil. We should be a leader in that respect.

I could speak for a great deal of time, but I want to give other hon. members a chance, and I want to make a plea, mostly to hon. members opposite, that they think very carefully before they make any precipitous moves in the energy field because the depth of feeling in the west is tremendously deep and solid on that issue.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Kempling: On division.

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

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-3, to amend the Unemployment Insurance Act, 1971, as reported (without amendment) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Some hon. Members: Now.

[*Translation*]

Mr. Axworthy moved that the bill be read the third time and do pass.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

[*English*]

The Acting Speaker (Mr. Ethier): The hon. member for Winnipeg North (Mr. Orlikow).

[*Translation*]

Mr. Corbin (Madawaska-Victoria): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): The hon. member for Madawaska-Victoria.

Mr. Corbin: Mr. Speaker, when you put the question, the hon. member for Winnipeg North (Mr. Orlikow) was not in the House and the government members passed the motion. I do not see how the hon. member for Winnipeg North can be recognized since he was not even in this House when the question was put.

The Acting Speaker (Mr. Ethier): When the question was put, I hesitated to see if there was consent when I asked if it was the pleasure of the House to adopt the motion and it was indicated to me that the hon. member for Winnipeg North Centre wanted the floor. So I recognize the hon. member for Winnipeg North Centre.

An hon. Member: The hon. member for Winnipeg North.

The Acting Speaker (Mr. Ethier): The hon. member for Winnipeg North.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, members of my party want to reiterate the views we expressed at second reading stage. We oppose this bill because it continues the policy adopted some years ago by Liberal governments and continued by succeeding Liberal governments and by the short-lived—thank goodness—Conservative government of last year and by the present Liberal government, of trying to fool the public that the costs of unemployment insurance are smaller than they are and that the costs of unemployment are much smaller than they are. They have done that and propose to continue to do that with this bill by shifting the responsibility for paying for unemployment insurance benefits to those who are unemployed through the premiums paid for by both employers and employees, rather than paying for the cost of unemployment by the government as has been the case for many years.

When this country first adopted a system of unemployment insurance premiums to be used to pay benefits to those who were unemployed, it was never believed that we would have the rate of unemployment we have at the present time. In the 1940s when the act was first brought into being, we were in a war and we had virtually no unemployment. We had very little unemployment and certainly very little long-term unemployment in most areas of the country through the 1950s and 1960s.

In the 1940s and 1950s Liberal governments said that they believed in full employment and that unemployment would be a very small factor in this country, but they gave up that belief in practice because they refused to face up to the necessity of governments playing an active role, planning, and insisting that our economy work to provide jobs for every Canadian who wants to work.

Not so many years ago the Economic Council calculated that we would have full employment in this country when the percentage of the working force which was unemployed was not more than 3 per cent. That was in the 1960s. It is now substantially more than double that figure. By 1979 the Economic Council in its publication "Two cheers for the Eighties" set the equilibrium unemployment rate at 6 per cent. In economic terms this is the rate of unemployment which can be maintained without creating inflationary pressure in the labour market. In 1977 the Ontario Conservative government called the full employment norm a rate of 5.2 per cent unemployment. From the point of view of policy-making these rates are enormously important inasmuch as government uses them as targets. These rates in effect determine the degree of government commitment to policies which encourage the growth of employment.

It is obvious now that since the Liberals are eliminating the vested interest they had in maintaining low levels of unemployment, this government has simply thrown up its hands. Back in 1971 when the hon. member for Lincoln (Mr. Mackasey) was minister of employment, he brought in major amendments to the Unemployment Insurance Act in which the target for unemployment was set at 4 per cent. In the legislation we passed in 1971 the hon. member was proud—although he does not talk about it now—of the fact that the premiums paid by employers and employees would pay for the benefits of all the unemployed as long as unemployment was not more than 4 per cent. If the rate went over 4 per cent, the then minister said that the country would pay for unemployment insurance benefits out of general revenue. The minister said at the time that he was proud of it, that it was the reason governments would try very hard to implement policies to maintain the rate of unemployment at less than 4 per cent.

We have since had a whole series of amendments to that legislation, each of which has had a very simple purpose. It was to move the cost of unemployment insurance benefits from the Government of Canada, from the general revenues of Canada, to the premium payers.

● (2150)

In 1971 when the act had its major revision, the unemployment rate was forecast at 4 per cent throughout the decade. Benefit costs up to 4 per cent were to be paid from premiums. As I said, the government would pay for premiums above that level in recognition of its responsibility to ensure adequate employment. In 1975 we had another bill which set out the rate at which government contributions helped to pay initial benefits from 4 per cent up. It was changed to an eight-year moving average rate of unemployment. As the rate has gone up more than twice the 4 per cent, under that provision the premiums go up and the contribution which the government makes out of general revenues is reduced.

In 1977 there was another bill which eliminated two extended benefit phases for which the government, not the premium payers, was previously responsible. In 1978 when Bill C-14 was passed, the Liberals claimed that the measure would save $580 million. In fact the savings were a fraction of that, $180 million. The other $400 million was merely a transfer of cost from the federal account to the premium account. From the early seventies onward when the government's contribution to unemployment insurance benefit pay-outs was 53 per cent, the government share declined to 38 per cent after the 1977 amendments and to something well below that after the 1978 amendments. The intent of this legislation is to reduce it to less than 20 per cent. The department projects that the total unemployment insurance program costs for 1981-82 will be $5.2 billion. The government contributions are projected at $951 million.

When the minister introduced this bill, he said that it would mean the Government of Canada will save $378 million in direct government expenditures. Also he indicated that it was a saving which members of the House would recognize as very important at a time of very severe restraints on government funds available for other programs. The minister was trying to fool the public. Proof for that can be found in a very interesting editorial which appeared a few days ago in the *Financial Times*. Certainly it is not a very radical publication which can be as accused of being overly sympathetic to ordinary working people. This journal is read by people in the business community. An editorial entitled "Shifting the Jobless Burden Is Wrong" appeared in the July 7, 1980, edition of the *Financial Times*, which reads in part as follows:

The House of Commons has been debating a bill which will charge almost the entire cost of the unemployment insurance system to the payroll tax on employers and employees.

The bill will be passed, supported as it is by the Tories as well as the Liberals.

But it is bad legislation, wrong in principle and practice. It is based on illusion and will result in fiscal trickery.

I hope the hon. member for Ottawa Centre (Mr. Evans) is listening.

Mr. Evans: I am.

Mr. Orlikow: It continued:

It violates the principle that the cost of government should be borne according to ability to pay. And it imposes new barriers to the hiring of the unemployed at a time when unemployment is growing.

It went on to indicate that in fact the premiums were a different form of taxation. It continued:

Taxes are justified, of course, to pay for welfare schemes as well as other government expenditures. Most of the recipients of unemployment insurance payments are in genuine need. But Parliament should take a closer took at this particular tax before making it the main source of funds for a $5 billion welfare scheme.

It is regressive. Working Canadians earning less pay a higher proportion of their income than those earning more. It has no exemption or deduction, no allowance for wage earners trying to support families. It is a flat rate charge on wages up to $290 a week in 1980. The employer pays 1.89 per cent of this amount, the employee, 1.35 per cent.

It continued:

There are two main principles of taxation—ability to pay and benefit received. The unemployment insurance tax corresponds to neither, so every increase in the rate increases the inequity of the tax system. And it works against economic growth just as much as—or more than—any other tax hike.

It is also a piece of fiscal trickery.

It goes on to point out that the argument of the minister that this bill will save government money is nonsense. The government is simply shifting the cost from the general taxpayer to the payroll taxpayer.

Our main reason for objecting to this bill is that we believe the rate of unemployment we have, and the large amounts of money we are spending for unemployment insurance benefits, are completely inexcusable. It is incomprehensible to us that we will be paying hundreds of thousands of people who are willing and able to work, to use our raw materials, and our machinery to produce goods and services which we need—it is incomprehensible that we should pay them well to sit at home doing nothing.

Rather than spending $5 billion for unemployment insurance benefits, we believe we should have from the government plans and programs to put people back to work. Instead of job-creating programs, instead of spending more money and effort on programs to create jobs to put people back to work, the government has cut back on the job-creation programs. This year we are spending less money on job-creation programs than we spent last year. This is at a time when almost every day from every part of Canada there are announcements of plants being shut down, of lay-offs and more people being unemployed.

In 1980 we are not any longer talking about unemployment in the slow growth areas of Canada. We are not talking about unemployment in Newfoundland and the Atlantic provinces which traditionally have had high rates of unemployment. We are not talking about unemployment in the Interlake area of Manitoba which has always had a large number of unemployed. We are talking about unemployment in industrial cities of Ontario among people who have worked for ten, 15 and 20 years and today are being laid off by the hundreds of thousands every week.

These are the reasons we oppose this bill and we want the government to bring forward programs to put people back to work, rather than bringing forth legislation and programs to pay people to sit at home doing nothing. We believe that can be done. Our party has adopted as a fundamental principle the idea that we can have full employment in Canada.

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

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EMPLOYMENT—PROGRAMS TO CREATE JOBS

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 2 I put a question to the Minister of Employment and Immigration (Mr. Axworthy) concerning direct job-training programs and employment programs of the federal government. You will recall that a little over a year ago when the minister was a Conservative minister for employment in Canada, all direct employment programs were cut back in the Ontario region. Consequently, throughout northern Ontario, these programs which have been very important for seasonally unemployed, to native employment, particularly in periods when the forest products industry was in a slow growth period and so on, there

were literally thousands of people on unemployment insurance and welfare.

In my own constituency of Algoma during the last four or five years we have experienced something like 400 to 500 people employed in programs of Canada Works and the Local Initiatives Program. I am concerned that similar large numbers will be seeking employment this coming winter with the slowdown in the economy in the United States and resulting lay-offs in the forest products industry and veneer mills, sawmills, and even in some of the steel mills where there are lay-offs or threats of lay-offs, as well as the general unemployment we experience through seasonal factors with low construction activity during winter months in areas like the north shore of Lake Huron, Manitoulin Island, the north of the Sault area and so on.

I am pleased the minister responded positively indicating there would be an announcement of a program. Since then a program was announced, but that was all—just the announcement of a new program called the Canada Community Development program. I am pleased the minister is reinstating the program. However, I think it is important to know exactly when that program and details will be announced, along with the criteria and the types of projects that will be funded. We should know when the application forms will be available and when the projects will get under way.

I think it is very undesirable to start these projects in November and December often in communities which are building facilities, and I felt the Canada Works program up until last year had solved most of these problems. In fact they were dealing with applications in the spring months, having them adjudicated or reviewed by departmental officials and ministerial advisory boards during the month of July, with the projects getting under way on the first of September, right after Labour Day, when we usually see unemployment starting to cut in seasonally. As a result, projects which were of a construction nature were able to be started, putting footings in and frames up, before the arrival of winter weather, and often completed before the winter months.

It is terribly important that the department move ahead with this on a rapid basis, allowing communities and non-profit organizational groups to know what are the criteria, when the applications and forms will be available, in order to see these projects under way in the early fall months rather than November and December when seasonal difficulties, with the cold and the weather, are already upon us. Certainly in my own constituency there has been a tremendous number of worth-while projects, including community wharves and marinas that have been constructed in places like Gore Bay, Little Current, Blind River, Thessalon and Bruce Mines.

● (2205)

There are a number of communities waiting to complete or go on with projects of this nature. Other communities have built firehalls and medical centres. Perhaps one of the most important and most critical such projects is native housing. We have been waiting now for several months for the Minister of Indian Affairs and Northern Development (Mr. Munro) to announce the new native housing programs which are grossly underfunded with something like a capital allowance of $12,000 per unit. That is completely unsatisfactory.

If we could have a clear outline of how this Canada Community Development Program will work from the parliamentary secretary, it would let these community groups get on with the planning and allow this program to move forward. Really, it is getting very late for projects to be approved, adjudicated, and funded for the early fall months.

Mr. Robert Daudlin (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am sincerely happy that the hon. member for Algoma (Mr. Foster) chose to be here this evening to bring up his question, unlike other members who were supposed to be here and for whom answers were prepared but who do not seem to be present.

In any event, with respect to the interesting question raised by the hon. member for Algoma, the minister announced in the House on June 2, 1980, that direct job-creation programs will indeed be reinstated, particularly for high unemployment areas. In addition, the minister announced other initiatives which will create job and training opportunities for over 81,000 Canadians. This includes those Canadians who will be employed under the Employment Tax Credit program, which is presently under consideration in the other place.

The intent to respond to the unemployment situation, as outlined in the throne speech, has been acted upon quickly. The announcement of June 2 has introduced a series of measures, totalling $137 million for this fiscal year, to respond to the critical and immediate employment problems faced by Canadians.

More than $100 million will be used this winter and next year for Canada Community Development Projects across the country, with particular emphasis on areas of high unemployment. Local organizations will be eligible to sponsor projects that are supportive of established priorities, such as fisheries enhancement, energy conservation and tourism development. There will be a basic allocation to each federal constituency for this program, as well as an additional allocation based on the labour surplus rate in the constituency.

I wish to assure the members of this House that the Canada Community Development Projects will be available in all provinces and territories. They will not be restricted to particular regions. Program information and application forms will be made available to the public on July 28, 1980. The application deadline will be September 29, 1980, and projects may start after November 15, 1980, but no later than February 2, 1981.

The Canada Community Development Projects Program is expected to result in about 15,500 jobs for an estimated 19,400 participants. In addition to the Canada Community Development Projects, other new programs include the Canada Community Services Projects, which will provide voluntary organizations with funding scaled over a two-year period to meet pressing social needs. There is also the New Technology Employment program which will stimulate the development

and application of new technology by providing wage subsidies to firms and research institutes which hire recent post-secondary graduates who are unemployed or underemployed. Then there is the Local Economic Development Assistance program, LEDA, designed to assist selected communities experiencing high levels of unemployment to stimulate private sector employment through economic development.

These job-creation initiatives are in addition to a number of training program increments and reflect the commitment of this government to expanded and productive direct job creation across the country.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.10 p.m.

APPENDIX

(*See p. 2747*)

July 10, 1980

CABINET COMMITTEE MEMBERSHIP

Communications

Chairman	Mr. J. S. Fleming
Vice-Chairman	Mr. J.-J. Blais
Members	Mr. A. J. MacEachen
	Mr. J. Chrétien
	Sen. H. A. Olson
	Mr. A. Ouellet
	Sen. R. J. Perrault
	Mr. R. LeBlanc
	Mr. Y. Pinard
	Miss J. Erola

Economic Development

Chairman	Sen. H. A. Olson
Vice-Chairman	Mr. M. Lalonde
Members	Mr. A. J. MacEachen
	Mr. J.-L. Pepin
	Mr. J. C. Munro
	Mr. H. E. Gray
	Mr. E. F. Whelan
	Mr. A. Ouellet
	Sen. R. J. Perrault
	Mr. R. LeBlanc
	Mr. J. Roberts
	Mr. P. De Bané
	Sen. H. R. Argue
	Mr. G. Regan
	Mr. W. Rompkey
	Mr. C. Lapointe
	Mr. D. Johnston
	Mr. L. Axworthy

Foreign and Defence Policy

Chairman	Mr. M. MacGuigan
Vice-Chairman	Mr. G. Lamontagne
Members	Mr. A. J. MacEachen
	Mr. J.-L. Pepin
	Mr. E. F. Whelan
	Mr. M. Lalonde
	Sen. R. J. Perrault
	Mr. R. LeBlanc
	Mr. J. Roberts
	Mr. J.-J. Blais
	Mr. F. Fox
	Mr. P. De Bané
	Mr. E. Lumley
	Mr. D. Johnston
	Mr. L. Axworthy

Government Operations

Chairman	Mr. Y. Pinard
Vice-Chairman	Mr. F. Fox
Members	Mr. A. J. MacEachen
	Mr. J.-L. Pepin
	Mr. A. Ouellet
	Mr. J.-J. Blais
	Sen. H. R. Argue
	Mr. W. Rompkey
	Mr. D. Johnston
	Mr. P. Cosgrove

Labour Relations

Chairman	Mr. G. Regan
Vice-Chairman	Mr. A. Ouellet
Members	Mr. J.-L. Pepin
	Mr. J. Chrétien
	Mr. J. C. Munro
	Mr. H. E. Gray
	Mr. R. LeBlanc
	Mr. J.-J. Blais
	Sen. H. R. Argue
	Mr. C. Lapointe
	Mr. D. Johnston
	Mr. P. Cosgrove

Legislation and House Planning

Chairman	Mr. Y. Pinard
Vice-Chairman	Mr. J. Chrétien
Members	Sen. H. A. Olson
	Mr. E. F. Whelan
	Miss M. Bégin
	Mr. G. Lamontagne

Legislation and House Planning —(*Concluded*)

Mr. R. P. Kaplan
Mr. P. Bussières
Miss J. Erola

Priorities and Planning

Chairman	Mr. P. E. Trudeau
Vice-Chairman	Mr. A. J. MacEachen
Members	Mr. J. Chrétien Sen. H. A. Olson Mr. H. E. Gray Mr. M. Lalonde Mr. R. LeBlanc Mr. M. MacGuigan Mr. J. S. Fleming Mr. Y. Pinard Mr. D. Johnston Mr. L. Axworthy

Public Service

Chairman	Mr. P. E. Trudeau
Vice-Chairman	Mr. A. J. MacEachen
Members	Mr. J.-L. Pepin Mr. F. Fox Mr. Y. Pinard Mr. D. Johnston

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Members	Mr. A. J. MacEachen Sen. R. J. Perrault Mr. G. Lamontagne Mr. M. MacGuigan Mr. R. P. Kaplan Mr. Y. Pinard

Social Development

Chairman	Mr. J. Chrétien
Vice-Chairmen	Mr. J. C. Munro Mr. J. S. Fleming
Members	Mr. A. J. MacEachen Mr. D. J. MacDonald Mr. J. Roberts Miss M. Bégin Mr. F. Fox Mr. G. Regan Mr. R. P. Kaplan Mr. D. Johnston Mr. L. Axworthy Mr. P. Cosgrove

Special Committee of Council

Chairman	Mr. Y. Pinard
Vice-Chairman	Sen. R. J. Perrault
Members	Mr. D. J. MacDonald Mr. J. Roberts Mr. R. P. Kaplan Mr. W. Rompkey Mr. P. Bussières Mr. C. Lapointe Mr. P. Cosgrove Miss J. Erola

Treasury Board

Chairman	Mr. D. Johnston
Vice-Chairman	Mr. A. J. MacEachen
Members	Mr. A. Ouellet Sen. H. R. Argue Mr. W. Rompkey Mr. E. Lumley
Alternates	Mr. J.-J. Blais (1st Alternate) Mr. G. Regan Mr. P. Cosgrove Mr. D. J. MacDonald Mr. C. Lapointe Mr. P. De Bané

Western Affairs

Chairman	Mr. L. Axworthy
Members	Mr. J.-L. Pepin Mr. J. C. Munro Sen. H. A. Olson Mr. H. E. Gray Mr. E. F. Whelan Mr. M. Lalonde Sen. R. J. Perrault Mr. R. LeBlanc Mr. J. Roberts Mr. P. De Bané Sen. H. R. Argue Mr. J. S. Fleming

HOUSE OF COMMONS

Friday, July 11, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

FOREST FIRES

FEDERAL-PROVINCIAL CO-OPERATION IN UTILIZING FIREFIGHTING FACILITIES—MOTION UNDER S.O. 43

Mr. Bruce Halliday (Oxford): Madam Speaker, I rise under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the very serious loss of trees from forest fires, and the fact that reports yesterday and today indicate further outbreaks of forest fires, I move, seconded by the hon. member for Hastings-Frontenac (Mr. Vankoughnet):

That this House requests the Minister of the Environment to initiate consultations with his appropriate provincial counterparts with a view to co-operating with them in fully utilizing Canadian firefighting facilities.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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CABINET COMMITTEES

MEETING OF WESTERN AFFAIRS COMMITTEE—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise under the provisions of Standing Order 43. The Prime Minister has tabled a list of cabinet committees which reveals the existence of a committee on western affairs. I therefore move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That, in light of the government's record on western issues thus far, this House directs the chairman of the western affairs cabinet committee to advise the House as to when the committee will have its first meeting, and whether:

(a) the Minister of Energy, Mines and Resources will appear before the committee to explain his energy policy, and

(b) the committee will appear before the Minister of Transport to describe to him a grain elevator.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

ASSISTANCE PROGRAM FOR LAID-OFF AUTO WORKERS—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Madam Speaker, I rise under the provisions of Standing Order 43. Given the fact that Rockwell International of Canada has announced a lay-off of 300 employees at its Chatham plant and 200 employees at its Milton plant, a further indicator of the serious problems facing the Canadian manufacturing sector, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the government immediately introduce a transitional assistance program to assist the more than 22,000 auto workers in Canada that are now on indefinite lay-off.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

SPORTS

RECOGNITION OF CANADA'S OLYMPIC ATHLETES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise under the provisions of Standing Order 43 and I trust that the House will give this motion enthusiastic support.

In view of the fact that many of Canada's young athletes who have agreed to support the government's decision to boycott the Moscow Olympics over Russia's insatiable appetite for expansionism have trained for years in preparation for the event to represent their country, I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That the Government of Canada prepare appropriate recognition of all these athletes and their supporters, of whom we are so proud, to show that all Canadians recognize their dedication not only to their sport but their loyalty to their country and its principles of freedom.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

RELIGIOUS FAITHS OF SUCCESSORS TO QUEEN—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I rise to present a motion under Standing Order 43 on a matter of urgent and pressing necessity, the urgency being the fact that the British Parliament is about to consider a matter affecting this country.

I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That the new and first made-in-Canada constitution reinforce its insistence on religious liberty by including the desire of the Canadian people that successors to our present Canadian Queen may be an adherent not only of the Protestant but also of the Catholic or other religious faiths.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ENERGY

EXPORT TAX—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with a very important matter.

Considering the growing concern of some provinces because the federal government might levy a tax on energy exports; considering the refusal of this government to disclose its true intention in that connection which has at the same time given rise to a very negative response from Quebec and British Columbia; considering finally that the behaviour of the government on the point is unacceptable for the orderly progress of current discussions on constitutional reform, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That this House unanimously urge the responsible minister to state the intentions of the government in that connection before the federal-provincial conference to be held in September, 1980.

Madam Speaker: Such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

REFINANCING OF AHOP HOMES—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43.

Whereas the Minister of Public Works, responsible for Canada Mortgage has stated in this House that the AHOP program is 95 per cent successful, and whereas areas such as Brampton, Mississauga and Kitchener have vacancy rates of up to 50 per cent through mainly quit claims and abandonment; and whereas Canada Mortgage is now marketing these vacant units for up to $11,000 less than was paid for the homes originally, causing untold concern to those who have stuck with this ill-conceived program, and whereas they have to refinance these homes with first and second mortgages over the next year, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House urge Canada Mortgage to guarantee the people living in AHOP homes that they will not be penalized in the refinancing of their homes since the value today is much less than will be their total financial obligation.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

FIRING OF SPECIAL ASSISTANT TO HEALTH MINISTER—MOTION UNDER S.O. 43

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, in view of the news today that the New Horizons program for many has become a personal Lost Horizon for the special assistant to the Minister of National Health and Welfare, who yesterday, in a fit of pique, summarily fired her special assistant for writing a memo to Liberal members advising them of their own legislation; and since on the face of it an injustice has been done to this faithful servant of government who received only two days' notice of this callous dismissal, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That Parliament immediately direct the minister responsible for the status of women, the Lochinvar member from Winnipeg-Fort Garry, to immediately investigate this matter and report back to this House that political embarrassment and not sexist discrimination was the reason for this merciless move by the minister responsible for the welfare of all Canadians.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSIONS

REQUEST FOR LEGISLATION TO PROVIDE PENSIONS FOR ALL AT AGE SIXTY—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

One of my constituents recently has been informed that she will not be eligible for a spouse's allowance. Her husband died just four months before she reached the age of 60. He was 68 years old at the time of his death. She is now expected to live on a widow's pension of some $127 per month. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House condemns the unjust pension law that relegates my constituent and many other Canadians to a life of extreme hardship and poverty, and that this House urges the government to implement immediately legislation making every Canadian, regardless of marital status, eligible for a pension at the age of 60.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1115)

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

MINISTERIAL PERMIT ISSUED TO GIUSEPPE CALAMUSA

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is to the Minister of Immigration and Employment. It pertains to the ministerial permit issued last month to Giuseppe Calamusa.

Armed with the knowledge that Mr. Calamusa had been convicted on three occasions in Italy of serious criminal offences between 1961 to 1965, aware of the fact that Mr. Calamusa came to Canada illegally in 1968 and has been deported on five occasions, aware of the fact that in 1975 he was charged with counterfeiting in Toronto, that in 1976 he skipped bail and that in 1977 he was convicted and imprisoned, my question to the minister is this: how can he exercise his discretion in such an unjustifiable way, especially in light of the fact that the trial judge recommended his deportation?

Some hon. Members: Oh, oh!

An hon. Member: He was tap-dancing.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, he does not even tap-dance.

Some hon. Members: Oh, oh!

Mr. Paproski: In your hotels?

Mr. Axworthy: If hon. members would like an answer to the question, as the hon. member knows, under section 19(2) of the act there is, and always has been, an opportunity for those who have had records to be admitted to this country. In Mr. Calamusa's case he was deported, as the act provided. We did provide a permit for him to return to the country, based on compassionate grounds, namely, there would have been a split in the family because three of his children are Canadian citizens and one of them was very seriously ill.

Those, I think, were proper grounds to allow the gentleman to come back into the country until his affairs could be established and an opportunity given to him to prove whether he was prepared to rehabilitate himself. Those were the grounds upon which the decision was made.

Mr. Speyer: Madam Speaker, I am certainly aware of the illness to which the minister has referred with respect to one of the children. But I ask the minister, what hard evidence did he take into consideration in deciding that the medical treatment this young man could have received in Italy was not as effective as it could be in, say, Winnipeg where he now resides?

Mr. Axworthy: Madam Speaker, in this case we took into account all kinds of evidence. To repeat, I would say the evidence demonstrated that in terms of the position of the family, to maintain the unity of the family and to provide an opportunity for that family to establish itself in this country, based upon the claims and representations made by many people on behalf of the Calamusas who had spoken on their behalf, including the city council for the city of Niagara Falls, we felt that on balance the family deserved a chance.

Mr. Calamusa did adhere to the requirements of the law, and was deported. There is a permit but if there is any indiscretion beyond that, then he would be asked to leave. But in this case, I erred on the side of compassion and judgment.

Mr. Speyer: Madam Speaker, I am glad that the minister took the point of representations made, because I would like to ask the minister what representations were made by Mr. Joseph Bova, a campaign worker for the minister, on behalf of this particular person, and did Mr. Bova know this Mr. Calamusa prior to the time that he moved to Winnipeg in June of this year?

Mr. Axworthy: Madam Speaker, quite to the contrary. When the family made their appeal to me, along with others, I contacted Mr. Bova, who is a highly respected member of the Italian community, to ask his judgment and his advice and to see whether he would use his services to obtain employment and accommodation for the Calamusas if they were to resettle. He offered to provide those services as part of his contribution in helping that family make a good place in this country.

Some hon. Members: Hear, hear!

METHOD OF DEPORTATION OF MR. CALAMUSA

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my supplementary question is to the same minister and follows the questions raised by my colleague, the hon. member for Cambridge. I want to pursue the method in which the deportation order against Mr. Calamusa was carried out.

Will the minister confirm that Mr. Calamusa and his family were driven over 100 kilometres from Winnipeg to the U.S. border by two Canadian immigration officials in government cars, and will he confirm that the officials took the Calamusas across the border, waited for them and then returned them to Winnipeg, all at the taxpayers' expense?

● (1120)

Can he tell me why he was deported to the United States, and not back to the country from which he originally came illegally? Is all this action standard procedure of the Department of Employment and Immigration?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, this is standard procedure and has been going on for an awfully long time.

Some hon. Members: Oh, oh!

Mr. Axworthy: It is unfortunate that members opposite have not taken the opportunity to inform themselves of the proper procedure under the Immigration Act. One of the requirements under that act is that when a deportation order is issued, the Canadian authorities are required to carry out that deportation order and to accompany anybody to the point of debarkation, whether it is an airport or a point of entry. That is the proper procedure, and it was followed, Madam Speaker.

Mr. McDermid: As I understand it, Madam Speaker, standard procedure regarding deportation and re-entry through a ministerial permit is to have the person in question pick up that permit at the nearest Canadian consulate, which in this case was Minneapolis, some 500 miles away. Why was standard procedure waived in this particular case?

Mr. Trudeau: Because we have a heart.

Mr. McDermid: And is it just a coincidence that the Calamusas moved from Niagara Falls to Winnipeg for employment, or was the main reason to be close to the Minister of Employment and Immigration, and in fact did he receive this job in Winnipeg before he had his first hearing with the minister, or after?

Mr. Axworthy: Madam Speaker, I would repeat that it is standard procedure to provide this kind of travel to a point of debarkation. The ministerial permit then is simply—

Some hon. Members: Oh, oh!

Mr. Axworthy: If members opposite want proper answers they will have to allow me the time and the opportunity to give them. I really cannot hear them over their talking. The proper procedure is to allow those who are given a deportation order to be given a permit that they can then present upon re-entry.

As far as the work here is concerned, I see nothing wrong in someone trying to get away from a climate in which he had received adverse publicity, prompted by both the media and politicians, and start in a new place at a new time. That was the reason they came to Winnipeg, because there were people there who were prepared to help them.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

THE CANADIAN ECONOMY

REPORT OF OECD ON POLICIES TO IMPROVE ECONOMIC CONDITIONS—BUDGET PROVISIONS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in the absence of the Minister of Finance and the Minister of Industry, Trade and Commerce, I will address my question to the Prime Minister. The OECD report released yesterday, in Paris, a survey of the economies of all the western countries, said:

—what is needed is a combination of policies directed at reducing underlying inflation, enhancing productive potential and reducing energy dependence.

Does the Prime Minister agree with that statement, and could he outline for the benefit of the House the government's policies with regard to those objectives?

Right Hon. P. E. Trudeau (Prime Minister): I am sorry, Madam Speaker, I have not read the report. I will be happy to take the advice of the hon. member and read it.

Mr. Rae: It is nice to know that the economic affairs of the country are getting the full attention of the Prime Minister at this time.

Some hon. Members: Oh, oh!

Mr. Rae: It is reassuring to all members of the House. This is just amazing: the government is prepared to spend its entire time on constitutional affairs and nothing at all on the economy.

Some hon. Members: Question.

Mr. Rae: It is just amazing. Talk about compassion! I would like to address a supplementary to the Prime Minister. The growth rate in Japan in 1980 is predicted to be nearly 10 per cent, and the growth rate in Canada is going to be minus three-quarters per cent for 1980, according to the OECD.

Japan's budgetary deficit is substantially larger than Canada's, on an over-all basis, but the fact is this is the case because it invests in industries in order to carry out some of the objectives that are stated in the OECD report. I should like to ask the Prime Minister whether it is his intention to introduce a budget which will provide for productive investment in energy, housing, capital works and skilled trades which, while it may temporarily increase the deficit, will have the effect of stimulating growth and providing employment for Canadians.

• (1125)

Mr. Trudeau: Madam Speaker, we have heard about the effects of stimulative deficits. The hon. member knows that we already have a very large deficit in the accounts of this country. If he is arguing that we should increase the size of that deficit, I would just advise him that the Minister of Finance is preparing a budget for some time next fall and he will have the answer then.

Mr. Rae: A final supplementary. Yesterday, the minister responsible for housing stated that the government was considering cutting the community services program which is involved in providing funds for basic infrastructure and other community services in towns and cities across the country. What is the logic of that kind of restraint, when the only effect it can have is to increase unemployment and reduce the ability of our municipalities to provide services for our citizens?

Mr. Trudeau: All forms of restraint are difficult for somebody. Yesterday, in an answer on this subject, I said the government was putting its restraint measures into effect but would not do so on the backs of the unemployed. The hon. member is coming forward with an argument in defence of the municipalities, which are within provincial jurisdiction.

It is certain we have been transferring large sums of money to the provinces and municipalities for various schemes. They are in a much better financial position than the federal government is, and if we are to exercise restraint it has to be in part at the expense of our large transfers to provincial jurisdictions.

DETERIORATION IN CURRENT ACCOUNTS BALANCE—REASON THEREFOR

Mr. John Thomson (Calgary South): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce I should like to address my question to the acting minister. The OECD reports that Canada will be the only country of the seven major industrial nations to show a deterioration in its current accounts balance in the coming year. Canada's current accounts deficit is expected to be $7.4 billion during that period.

This is based on a forecast that our merchandise trade surplus, which is running at an annual rate of $5.3 billion for the first six months of this year, will drop to only $2.5 billion for the next 12 months.

Does the government agree with this abysmal forecast? To what does the minister attribute this drastic reduction forecast in our merchandise trade surplus, and what urgent action does the government plan to redress this problem?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, it is hard for anybody who is not a fortune teller to agree or not with forecasts, whatever their source may be. As far as the economic problems now experienced by the western world are concerned, the government is now developing an industrial strategy which we hope will ensure a better economic future for our country.

[*English*]

Mr. Thomson: Would the acting minister accept the proposition by OECD, that member countries should continue tight fiscal and monetary policies to contain the inflationary impact of the oil shock, and that what is needed is a combination of policies aimed at reducing underlying inflation and enhancing productive potential?

[*Translation*]

Mr. Lapointe (Charlevoix): Madam Speaker, I think the hon. member wants to elicit from me the basic principles of the Minister of Finance's next budget, and it is not my job to give such information.

* * *

[*English*]

FOREST FIRES

FEDERAL-PROVINCIAL CO-OPERATION IN UTILIZING FIREFIGHTING FACILITIES

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is for the Minister of Environment, but in his absence I will address it to his parliamentary secretary or to the acting minister.

In view of the serious loss of trees due to recent fires, and since fresh outbreaks are being reported, has the hon. gentleman consulted with his provincial counterparts with a view to co-operating with them in trying to reduce the loss of this valuable resource? Is he aware that a fleet of 12 to 14 Canadian-owned planes which are well equipped for fighting fires has been grossly underutilized?

• (1130)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in the absence of the minister, I will take

notice of the hon. member's question and see that he gets a complete answer as soon as possible.

[*English*]

USE OF UNITED STATES AIRCRAFT IN FIGHTING FOREST FIRES

Mr. Bruce Halliday (Oxford): Madam Speaker, my supplementary question is to the Minister of Transport. Is the minister aware of, and does he support the policy of his department whereby, while Canadian firefighting planes sit idle, his department is licensing American planes to come in from Michigan to fight fires in Ontario?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if my friend would like to give me specifics on that, I would reply immediately. As a general proposition, it is well known that we favour Canadian operators.

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PUBLIC SERVICE

SALARY INCREASE FOR SENIOR EXECUTIVES—EQUITY FOR CLERKS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is for the President of the Treasury Board. In view of the fact that the President of the Treasury Board announced yesterday a salary increase of 9.5 per cent for public servants in the senior executive and deputy minister groups, in view of the fact that the government's most recent offer to members of the clerical, regulatory and data processing groups was 7 per cent, and since the senior executive salary range is from about $35,000 to $65,000, while most clerks—85 per cent of whom are women—are making a piddling $12,800 per year, is the minister now willing to improve the government's offer to the clerks to bring it closer to the same dollar value gained by the senior executive group, or at least to a reasonable level comparable with inflation in order to live up to the government's throne speech commitment to treat working women equitably?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the increase for the senior management group announced yesterday is very reasonable, and less—as I indicated—than the amount suggested to us by the advisory group on executive remuneration. This group still lags substantially behind the private sector.

I have also said—and the hon. member knows—that the policy of the government is to establish comparability with the outside sector. That being said, the group in question has opted for the conciliation route. The conciliation board, I understand, is likely to be appointed in the very near future. I am sure that a successful and fair resolution of that particular wage negotiation will take place in the relatively near future.

REDUCTION IN FEMALE STAFF OF DEPARTMENT OF EMPLOYMENT

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I think the government should take the lead in this area. My supplementary question will be to the minister of unemployment—the Minister of Employment and Immigration.

Mr. McDermid: You were right the first time.

Mr. Parker: I think so. In view of the minister's pretensions as a champion of equality for women, and in view of his vaunted employment strategy for women, will the minister tell the House why he has allowed the women's employment division of his department to degenerate from five officers to one, and why he has no intention of filling the recently vacated position of chief of the women's employment division?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, there is absolutely nothing degenerate going on in our department at all.

Some hon. Members: Oh, oh!

Mr. Axworthy: Madam Speaker, I would like to tell the hon. member that every department and every commission has had the experience of a restraint program which has been applied by past governments but that positions and person-years are available in this area. I have instructed, as part of that restraint program, X budgeting. It came to my attention a few weeks back. I have asked to have them restored.

As to why the position is not being filled, the present incumbent has taken sick leave, and the position is open until such time as it can be filled. She is away for a period of time and we have to determine whether she will return to it or whether we have to start the normal recruitment procedure to find a replacement.

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IMMIGRATION

ISSUANCE OF MINISTERIAL PERMITS—DEPORTATION PROCEDURES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I want to pose some questions to the Minister of Employment and Immigration with regard to the Calamusa case.

I was interested in the minister's allegation that the procedures followed in this matter were standard procedures, and I think the House would like to know exactly what standard procedures are. I wonder if the minister would confirm for the House that it is his position and that of the government that it is standard procedure to provide a government car to take a deported person out of the country, hand that person a ministerial permit and then wait and drive that person back from the point outside the country to the city in Canada from which that person was originally driven in a government car. Is that a

procedure which is available to all persons deported and allowed special permits?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is a requirement that we provide transportation for those who receive deportation orders.

Mr. Clark: Madam Speaker, I think the minister will have to realize that he has to answer for both his comings and goings in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, we would like to know whether he is saying that it is standard procedure for the Government of Canada to provide immediate transportation back, to have the car or other vehicle wait until the person has been deposited for a few moments—in the United States, in this case—and then to bring that person back.

Is that a practice which is available to every person in a situation similar to that of Mr. Calamusa? Is it standard procedure to drive a person out, to wait and to drive that person back?

Mr. Axworthy: Madam Speaker, I suggest to the Leader of the Opposition that he might be far more preoccupied about his comings and goings at this stage. They might be more politically sensitive.

Some hon. Members: Hear, hear!

Mr. Axworthy: I simply point out that it is a requirement under the act that we provide transportation to the point of debarkation. I am sure the Leader of the Opposition would want the Government of Canada to provide common courtesies and to provide transportation back, but there was no transportation across the border.

Mr. Clark: Madam Speaker, unless I misunderstand what the minister has said, we now have an admission by the minister that in this case Mr. Calamusa was driven from Winnipeg to the border, that the Canadian government vehicle waited and that he was then driven back. In other words, the standard procedure was extended from driving to the point of debarkation to encompass a practice where the person was driven back.

Are we to understand that that is standard procedure available to all individuals who have been deported and allowed a special permit? I would like it clarified whether the drive back is now part of the procedure. That is a special two-way limousine service.

Second, the minister indicated that he had received a number of representations from a number of individuals, in his answer to my colleague, the hon. member for Cambridge. I wonder if he would, in light of the quite unusual circumstances involved in this case, be prepared to lay upon the table of the House of Commons a list of all those individuals from whom representations were received in this particular case.

Mr. Axworthy: Madam Speaker, in answer to the question, I think the Leader of the Opposition, having been a member of a government for a short time, would realize that there is a requirement for some degree of confidentiality when advice, opinions and representations are received. If, however, the Leader of the Opposition wants to seek out those who did make representations and asks for their permission to make those documents public, I would certainly have no objection to that.

But the representations were made by a number of individuals. This file has been with us for a while. We wanted to take a decision. There were many representations made public, including one from the city council of the city of Niagara Falls, as well as others. A number of representations were made and I think it is my responsibility to accumulate those and make a decision based upon them.

As far as the first part of the question with regard to travel arrangements is concerned, they depend entirely on the circumstances of the case.

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SCIENCE AND TECHNOLOGY

CANADAS' PARTICIPATION IN FUSION ENERGY DEVELOPMENT

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, yesterday I called the Minister of State for Science and Technology to have him briefed fully on fusion energy processes. He is not here today, as I was assured he would be, so I will address my question to the right hon. Prime Minister.

Considering the important and even urgent situation involving alternate energy development to reduce our dependency on petroleum, and recognizing the need for non-polluting energy sources, I was concerned and distressed to hear the minister's response and attitude on the question of Canada's participation in fusion development during this week's estimates committee hearings.

• (1140)

I should like to ask the Prime Minister whether it is the role of such a minister, who is a lawyer, to prejudge complex scientific research projects and to direct policies contrary to the wishes of eminent scientists and institutions, such as the National Research Council, when such personal decisions could seriously jeopardize Canada's future energy needs?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member was very unfair to the Minister of the Environment when he accused him of being a lawyer. I suggest he should look up the curriculum vitae of my colleague.

As to the question of nuclear fusion, the minister testified before the parliamentary committee, at which time he expressed views on advice from officials. The government is reviewing these matters on a continuing basis. No decision has been taken by the government that interest would not be

shown in the issue of nuclear fusion. It is a matter that the Department of Science and Technology and the Department of Energy, Mines and Resources are following. We are following developments in this field, but at present, as the hon. member knows, no specific budget has been allocated.

We are talking in terms of an energy process which is generally agreed to be decades down the line. It is a matter where, as a first priority for Canada, resources will be allocated. I want to assure the hon. member that the government will be following developments in this respect very closely. The matter may be reviewed at a later stage.

Mr. Gilchrist: Madam Speaker, if that is the case, there must be some misunderstanding by the newspapers of Canada today. Maybe this is a matter of confusion. Vice-president Mondale's office is not confused: an official in his office stated:

Magnetic fusion programs are moving along very well, in our opinion. So well, in fact, that . . . it is time to move magnetic fusion out of the pure research stage.

So it is more than just speculation. Would the minister agree that if Thomas Edison had had such ministerial guidance prior to his 1,000 experiments leading to his noted invention, he would have been told that the light bulb could not be invented and all of us today would have been operating in the dark, like Liberal science policy?

An hon. Member: Election promises.

Mr. Lalonde: Madam Speaker, I should like to advise my hon. friend that he might check whether or not Vice-president Mondale is a lawyer. He might be, and the opinion of Mr. Mondale might not be of much more value in that respect. So we have to check.

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EMPLOYMENT AND IMMIGRATION COMMISSION

AMENDMENTS TO REGULATIONS RESPECTING WIVES OF FISHERMEN

Mr. Dave Dingwall (Cape Breton-East Richmond): Madam Speaker, I should like to direct my question to the Minister of Employment and Immigration. Can the minister confirm to the House that the Employment and Immigration Commission has approved amendments to the unemployment insurance regulations which will enable wives of fishermen to claim unemployment insurance benefits?

Some hon. Members: Of course.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am pleased to be able to tell the hon. member that in fact the employment commission has authorized that the wives of fishermen will now be eligible for benefits under the Unemployment Insurance Act.

AGRICULTURE

APPLICATION FOR ACQUISITION OF MAPLEWOOD POULTRY PROCESSORS, ABBOTSFORD, B.C.

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, I should like to direct my question to the Minister of Agriculture. The minister is aware of the application made for the acquisition by Cargill Enterprises of Maplewood Poultry Processors in Abbotsford, British Columbia. Is he in a position to advise me and the House of the present status of that application?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member knows that at one time the producers had recommended to us that we not approve a certain application to obtain ownership of this company. It was Cargill that had applied for the purchase.

At one time the government of British Columbia asked that everything be done to stop this operation, in telegrams to producers, and then there was a slight change of mind. So now we are searching and hoping we can entice someone to buy this plant, because we feel there should be more competition in the poultry processing industry in B.C., because if Cargill had been able to obtain this plant it would have given them approximately 80 per cent control of all poultry processing in B.C., and we think this would be dangerous. We are working hard to try to come up with a solution, but we might not be able to.

Mr. Patterson: I am sure the minister was aware—he alluded to the fact—that there had been a change of mind. It included not only the union representing the workers, but the turkey producers themselves and the government of B.C.

In view of the fact that this has put out of work 135 employees in the immediate area, and is threatening the viability of the turkey producing industry, would the minister assure us that he will continue, on a very urgent basis, to try to reach a decision so far as the application is concerned?

Mr. Whelan: I am sure the hon. member is also aware of the fact that my department ran the plant for approximately three weeks to make sure the poultry were processed. We are prepared to move back in there if necessary, if we are sure that some other potential buyer might be available for that plant. We will have meetings with my officials later. We are very concerned about the employees. We are also very concerned about the processing facilities being operational.

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SMALL BUSINESS

INTRODUCTION OF DEVELOPMENT BONDS PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, in the absence of the Minister of Finance I should like to put my question to the Minister of State for Finance. Recognizing that these are difficult economic times, I am sure everyone in

the House appreciates the difficulties being faced by small businesses across the country.

Small businesses were encouraged in April when the minister indicated he would bring in a small business development bond this year. In a press release on June 13, he indicated again that the bond would soon be introduced in the House. At this stage it would appear unlikely to be brought in this session. In view of the fact that it will take two to three months for the banks to implement this piece of legislation on behalf of small businesses, this government might have the distinction of implementing policy after it has expired. Would the minister please indicate to the House when the small business development bond will be introduced?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, in his question the hon. member referred to the fact that the Minister of Finance has already had, in a new release, the opportunity of indicating what guidelines will govern that technique. I can assure him that the Minister of Finance and the Minister of Justice will give urgent attention to the preparation of that legislation. The minister did indicate, when he tabled the ways and means motion in April, that he wanted that legislation, once it was tabled, to be discussed sufficiently to acquaint the House with the details of its application. In addition, the Minister of Finance still intends to make that information available to small businesses as soon as possible.

[*English*]

Mr. Riis: I have a short question, Madam Speaker. Is it true that the minister is now considering excluding operating capital from this piece of legislation?

[*Translation*]

Mr. Bussières: Madam Speaker, the terms outlined in the news release recently put out by the Minister of Finance will govern that instrument, and nothing has changed since that press release was issued.

* * *

[*English*]

PUBLIC SERVICE

APPOINTMENT OF COMPTROLLER GENERAL OF PERSONNEL—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is addressed to the President of the Treasury Board. It is a fact that human resources and the management of those resources is as critical as financial and capital resource management, and training and development are essential components of human resources planning. Given the support in the Lambert commission report and the d'Avignon report and many others, including the latest report from the Comptroller General, can the minister confirm that in these days of new systems, new programs, new techniques and skills he is seriously considering the appointment of a comptroller general of personnel so that the government can maintain, and possibly improve, the quality of the public service, and that among the many responsibilities of this comptroller general of personnel would be responsibility for putting into place a new policy on personnel training and development?

● (1150)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first let me thank the hon. member for Ottawa-Vanier for his interest, support and advice in this entire area. The consideration of the appointment of such a person to such a post is something which is a recommendation of the Lambert commission and the D'Avignon commission.

Accordingly, in my direction of the review of these recommendations I will be bringing forward proposals for my colleagues with respect to the appointment of such a person to such a post. This government shares, as I am sure do all members of this House, the view that human resources are more important than financial resources in managing the affairs of this country.

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AIR TRANSPORT

PROPOSAL TO PURCHASE NORDAIR—ACTION TAKEN

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I direct my question to the Minister of Transport. About ten days ago the minister told one of his colleagues that he would, within the next few days, have a proposal to put before the prospective purchaser of Nordair. Has that proposal been put before the prospective purchaser, and can the minister give the name of the prospective purchaser? What action has been taken on the proposal?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I certainly did not say it in that way. I said that we had in the department established a number of criteria or objectives which had to be achieved. Later, outside this House, I said that we would be in touch with one of the potential acquirers, the group led by La Société d'Investissement Desjardins, to find out if they could satisfy the objectives which we had in mind to achieve. That process is going on now. I should have a report on the conversations held in the next very few days.

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LOTTERIES

DISBURSEMENT OF FUNDS ACCUMULATED IN INTEREST

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, in view of the fact that $750,000 have accumulated in interest on the unclaimed Loto funds, will the minister begin issuing scholarships and internships, funds for our young athletes in need, before they leave for the United States, and also

to help culture and art, because the Secretary of State was complaining there was not enough money in his coffers?

Has the minister decided to stop funding Hockey Canada and will now fund the CAHA? Finally, has the minister allocated the $1.2 million for the native peoples' sports program?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I presume the question is directed to me, although I do not believe the hon. member indicated that it was. The subject of it would suggest that it was.

Mr. Paproski: Good guess.

Mr. Regan: In answer to the series of questions asked by the hon. member, I will attempt to deal with each of them as best as I can remember them. First of all, in relation to the accumulated interest on the two cheques which have been forwarded by the corporation which is running the provincial lotteries for the provinces, each in the amount of $6 million, they have been left as uncertified cheques at our request so that the interest could accrue to the benefit of the worth-while causes pursued by the ten provinces. It is another example of good federal-provincial relations on behalf of this government.

In giving that $750,000 to the provinces, I have to take a back seat to the hon. member's policy, which I am obviously following. While negotiating the handover of the lotteries, he gave the provinces $58 million in revenue which we previously had. I certainly look like a piker in comparison, considering the $750,000 gift to the provinces.

An hon. Member: You always did.

Mr. Lambert: You always were a piker.

Mr. Regan: I will never be able to live up to the generosity which the hon. member achieved. I am sure the hon. member is aware that the interest is accruing to the provinces because those cheques have not yet been cashed. In all probability they will be cashed before long, but I wanted to be in the position of having all the provinces understand that we do so without prejudice because of the incomplete agreement which does not even indicate the term of the agreement which was achieved by letter without a federal-provincial exchange.

With regard to assistance to athletes in training, if that is what the hon. member means when he refers to scholarships, a policy is under way and a great number of first-class athletes are receiving and have received letters recently on their support for the coming year. In relation to the scholarship question, attendance at university, as the hon. member knows, some provinces such as British Columbia have moved in this direction. The federal government does not at the moment have a policy, nor does the CIAU, the universities' organization.

I believe the hon. member had a question—

Madam Speaker: Order. I suppose hon. members opposite appreciate complete answers, but I think I shall have to cut the minister off.

Mr. Paproski: Madam Speaker, my question has nothing to do with the Loto agreement. My question was to the minister of sport. I was so excited that you recognized me that I forgot to mention the minister.

My supplementary question is to the minister of sport. The question I raised has nothing to do with the Loto agreement. It refers to the $750,000 in interest on the unclaimed Loto funds, money which is unclaimed by the winners. It is this $750,000 in which I am interested. What does the government intend to do with this money?

Mr. Regan: Madam Speaker, I thank the hon. member for clarifying the particular money about which he is speaking. One of the unfortunate aspects is that it is not yet clear what money, if any, will be left over from lottery funds. It is unclear for two reasons. One reason is that some money was held because of unclaimed prizes. The other reason is that in the haste of the previous administration, the interim government, to give away the lotteries to the provinces, they broke agreements with a large number of wholesalers and, as a consequence, there is very considerable litigation against the government. Those funds are being held to see whether or not they will have to be paid out in settlements because of the way in which the members opposite broke contracts.

Mr. Paproski: You are a complete dingbat.

Mr. Nielsen: Unadulterated rubbish.

* * *

HOUSING

ESTABLISHMENT OF MORTGAGE EXCHANGE PROGRAM

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is to the Minister of Public Works in his responsibility as minister of housing. It concerns the very serious situation which the lumber sector of the wood converting industry and the construction industry throughout the country currently face.

Is the minister's department at this time seriously considering the proclamation of a bill which was passed by this House in 1973 in support of the establishment of a mortgage exchange corporation?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be happy to take notice of the question asked by the hon. member. I might say that we are cognizant of the turndown in the industry generally. However, I am encouraged as a result of the information on starts for last month, which are back up to 151,000. This is comparable with the starts in March and April.

Mr. Oberle: Madam Speaker, it would appear the minister is not aware of that particular legislation. It was hailed at the time it was introduced as the solution to many problems in the housing industry, particularly with regard to high interest rates.

As the minister is studying this bill and giving it consideration, would he, in his answer—I would accept it in written form—tell me what possible objection there could be, and what lobby there would be against the proclamation of such a good measure?

Mr. Cosgrove: Madam Speaker, I intend to do that for the hon. member. Of course, high interest rates do not seem to be quite the pressing problem they were about three months ago.

* * *

PUBLIC WORKS

DEVELOPMENT OF CARTIER SQUARE, OTTAWA—PUBLIC INPUT

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Public Works. In view of all the speculation about the future of Cartier Square—from zoos, to galleries, to concrete canyons and skyscrapers—would the minister tell the House if the public will have an input long before the NCC makes any final decisions on the future of this very vital section of real estate right in the heart of the capital district?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am happy to confirm to the hon. member that the public has already had quite an opportunity for input. The committee of Cartier Square interest groups has made representations to me directly as minister, to the chairman of the National Capital Commission, to the city, to the local school board and to local school officials. Many people have had input into the design and consideration for the use of the square up to this point.

● (1200)

Mr. Nowlan: Madam Speaker, would the minister guarantee that, with all these other proposals and rumours of proposals, regardless of what is finally decided there will be an adequate playing field as part of the development of that area?

Mr. Cosgrove: I am happy to confirm, Mr. Speaker, that this is one of the major considerations of the commission and most public authorities involved, including myself. We are looking at alternate proposals with the objective being that there is an adequate playing field. But the specific location is not known at this time.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ADMISSIBILITY OF TENDERS ON JOINT PROGRAMS IN QUEBEC

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, I should like to put a question to the Minister of Regional Economic Expansion. In view of his absence, I shall put it instead to the right hon. Prime Minister. As many

official documents of the Quebec government prove beyond a doubt that only such contractors as have their head offices in Quebec can tender for projects financed jointly and often mostly by the federal Department of Regional Economic Expansion, while the province of New Brunswick opens its doors to all comers for such projects, can the right hon. Prime Minister tell us how, with regard to the freedom of movement of persons, goods and services it will be possible to put an end to that type of balkanizing discrimination through the constitutional reform?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I must say to the hon. member that he has raised an extremely important question indeed. All provinces are in the process, directly or otherwise, of putting up non-tariff barriers. Naturally, a province cannot expect to benefit simultaneously from free access to the whole Canadian market when it suits it, and when the prosperity of its industries depends on the rest of the Canadian market, while in other cases denying to other provinces free access to its own market. That problem is fundamental and I am very happy that the right hon. Prime Minister has made a priority of it in the constitutional review.

[*English*]

Madam Speaker: The hon. member for Yukon (Mr. Nielsen) has given notice of a question of privilege.

Hon. Erik Nielsen (Yukon): Madam Speaker, the question of privilege of which I gave notice yesterday I am unable to put today as I have not yet received the final printed copy of the final report of the committee prior to its making its report.

* * *

POINT OF ORDER

MR. CLARK—IMMIGRATION—REQUEST FOR LIST OF MINISTERIAL PERMITS ISSUED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order related to the ability of Parliament to act on an undertaking that was given in the question period during the exchange between myself and the Minister of Employment and Immigration (Mr. Axworthy). I asked the identity of persons making representations in the case in question and the minister said I should seek them out and if I could secure their agreement to have their names published at the table of Parliament that would occur. Obviously the only way I can seek them out is if I know who they are.

I presume the minister, having given that answer, is prepared to identify those people to me privately so that I may seek them out and in order that we might proceed in an orderly way in the House of Commons. I wonder whether the minister could advise the House if I can expect to receive that full list today?

Tabling of Documents

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I will take the position of the hon. Leader of the Opposition (Mr. Clark) as notice and see what will be made available.

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I was hoping to be recognized before that point of order in the dying minutes of the question period to ask a question of the Minister of Manpower and Immigration (Mr. Axworthy) to which I have given him notice. May I proceed? No order of the day has been called.

Madam Speaker: The hon. member is telling me, if I understood him, that he now wants to put a question to a minister. I must reply that the question period is over and, of course, I cannot recognize the hon. member.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

Third report of Standing Committee on Transport—Mr. Maltais.

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

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WAYS AND MEANS

TABLING OF NOTICE

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 60, I would like to table in both official languages notice of ways and means motion to amend the Petroleum Administration Act, and ask you to designate the order of the day necessary for the consideration thereof.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have no question about the propriety of the Minister of Energy, Mines and Resources (Mr. Lalonde) moving this motion, as he has done at this time. However, obviously his actions raise some very serious questions on a Friday afternoon as the House is two or three hours from adjournment as to what has developed in vital negotiations in the country that might cause the minister to act.

I am sure there would be agreement on this side of the House—and I have not had an opportunity to consult with my colleagues in the New Democratic Party—for the minister to take a moment or two to indicate what reasons have led him to follow the action he has just now followed.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): The right hon. Leader of the Opposition (Mr. Clark) has no valid point of order under the rules. Standing Order 60(1) is quite clear. When a minister wishes to give notice of a ways and means motion, he has only to follow the procedure used today by the Minister of Energy, Mines and Resources (Mr. Lalonde). There is nothing in the rules whereby the minister should make a statement or this House or the government should agree to any kind of debate on the reasons for this motion or the impact of the motion. Eventually the notice of motion will be followed by the motion and legislation based on the ways and means motion, and at that point the House of Commons will have ample opportunity to discuss the substance of the provisions included in the notice tabled today. Of course, I appreciate the political concerns of the Leader of the Opposition. But since he rose on a point of order, I submit he does not have a valid one.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the member as government House leader is quite right in his dissertation of the rules. The Leader of the Opposition (Mr. Clark) had asked whether or not the House would give its consent, and I assume there would be consent given at this time for an explanation by the minister.

The minister could, as my friend knows, make a statement on motions. Will he make a statement on motions? If there is a requirement for unanimous consent to do that, we are prepared to give our consent. We know what the rules say. What we are talking about here is a matter of some import, and it is a matter of extending a courtesy here in the House of Commons on a Friday afternoon in respect of a matter that has caused the government to move in what must be a most unusual way. That is really the point.

Having said that, would the government House leader be prepared as a matter of courtesy to consider allowing one of those processes that would right now permit the Minister of Energy, Mines and Resources (Mr. Lalonde) to make the statement that obviously the Leader of the Opposition and other members would like to have made?

[*Translation*]

Mr. Pinard: I admit the House leader of the Progressive Conservative party (Mr. Baker) knows the rules. He asked that we be courteous and agree today to something that would please his party politically. Often we would also like the rule to be waived and the opposition to show more courtesy so we could dispose of legislation more rapidly. It is obvious, Madam Speaker, that all the Leader of the Opposition or his House leader have to do is to look at the notice of motion that is self-explanatory and they will then get the answers to their questions. As far as we are concerned, I regret to say I am not in a position to give him the consent he is asking for today any more than the opposition, I am convinced, is in a position to

give us consent to dispose without debate of several legislative items now on the order paper.

* * *

● (1210)

[*English*]

PRIVILEGE

MR. CORBETT—RECOGNITION OF CANADIAN ATHLETES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise on a question of privilege in a state of some disappointment. It arises from a motion which I introduced today under Standing Order 43 requesting that the government give recognition to the young athletes who would have participated in the Olympic Games in Moscow.

My privilege is that I did not hear any nays, but obviously Your Honour did. It is absolutely inconceivable to me and astounding that any member of this House would not see fit to recognize the dedication and work that these young athletes have put into preparing themselves for this event. In support of their country they have agreed to forgo the opportunity to participate.

How on earth can we expect the young people of this country to have any faith in the future, in the purpose and in the direction of the sort of government we provide for them if we are not prepared to support them in the same manner that they have supported us? I do not believe that these young athletes should be subjected to this sort of treatment by this House as a result of a muffled no spoken from behind a hand.

If there are members of this House who would deny these young people recognition, whether it be in the form of a pin, a plaque or whatever, then they should speak out and let the young athletes know who is denying them that right. But I do not believe our young people should be subjected to this sort of treatment. If there are members of this House of Commons who feel that way, let us hear who they are so that our young people can be aware of the sort of people they are dealing with in the House of Commons. I can assure you, Madam Speaker, that there was no dissent among members of this party.

Madam Speaker: Order, please. I have to repeat to the hon. member that the Chair is the sole judge of whether there were any nays to a motion proposed under Standing Order 43. I can assure the hon. member that there were nays to his motion. The Chair is not in the habit of identifying them at this particular point in the procedure.

A number of motions have been proposed under Standing Order 43 which deal with congratulating a group or an individual. I believe that my predecessor was rather more strict than I about accepting this kind of motion under Standing Order 43. I am afraid that I will have to look into the number of motions designed to congratulate one group or another. I am sure the House understands that if no rules are set in this respect, there is no reason why we should not congratulate

everybody in Canada, even every citizen for the simple fact of being a Canadian citizen.

Some hon. Members: Hear, hear!

Madam Speaker: I would therefore ask hon. members to restrain themselves in respect of motions which deal with congratulations. Some of them can be accepted but I shall have to look into the matter.

MR. CLARK—TABLING OF WAYS AND MEANS MOTION—IMPOSITION OF LEVY UNDER PETROLEUM ADMINISTRATION ACT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on the question of privilege. I will have to ask your indulgence and I shall naturally resume my seat if you find there is no privilege.

I want to speak about a matter which has to do in a limited way not with the rules of the House but with the courtesies of the House and the kind of consultation that makes not only Parliament work but that makes relations between the private and public sector and between the federal and provincial governments work, and which will be conducive to matters being proceeded with in a fair and positive fashion.

The Minister of Energy, Mines and Resources (Mr. Lalonde) after the question period, without any notice to us and to my knowledge without any notice to the provinces, to industry or others in Canada, tabled a document which indicates the determination of this government to move immediately with a very significant new refinery gate tax. This appears to have not only been announced today without consultation with any of the people seriously affected, but it seems to be an action taken unilaterally at a time when there is negotiation in process regarding energy pricing between the producing provinces and the federal government. It has been taken unilaterally here in Ottawa in the very week in which we began discussions on a constitution which will succeed in finding an agreement only if there is an atmosphere of fair play on both sides.

Certainly many of the provinces of Canada who met in good faith with the Minister of Justice (Mr. Chrétien) earlier this week in Montreal will not believe they have been treated in good faith by the Minister of Energy, Mines and Resources considering the way he has acted regarding this unilateral and very expensive tax he has announced today.

It is difficult for us to determine quickly the exact impact of this tax. It seems to be somewhere between five cents per gallon and 12.5 cents per gallon. I would remark in passing that since February 18 the price of gasoline at the pump in Canada has risen already, including this announcement today, far in excess of the 18 cents per gallon proposed in the budget which was defeated last December.

This tax, which is proposed unilaterally and which has been dropped upon the House and the country as a surprise on a Friday afternoon by the Minister of Energy, Mines and

Resources, will apply as well to heating oil and a number of other commodities previously exempted.

As I say, Madam Speaker, I raise the matter not because there is a rule to which I can appeal but because there is a spirit to which I can address myself. There is a spirit of co-operation in this House that calls upon ministers to adopt a practice that we try to follow and I would say that generally ministers on the other side try to follow, that of giving advance notice about matters which will have serious repercussions for the country.

The action taken today is bound to jeopardize the energy negotiations going on between the producing provinces and the Government of Canada. It is bound to jeopardize the constitutional discussions going on in Montreal and which are scheduled for Toronto, Vancouver and later, Ottawa. As recently as this week this House gave unanimous consent to moving forward quickly on veterans' legislation, Bill C-30, but this action has been put in great jeopardy the capacity of Parliament to operate in such a co-operative fashion.

I simply raise this matter with you, Madam Speaker. I cannot address my appeal to any particular rule except that of courtesy, the rule of intelligent conduct in this House and the advisability of proceeding in a way that will allow the House of Commons to function co-operatively. The spirit of co-operation must carry through so that relations between the federal and provincial governments may proceed in good faith, and so that the word of the Government of Canada can be taken as being valid rather than something to be changed and undercut by a surprise announcement by the Minister of Energy, Mines and Resources, without warning or consultation, of a very severe tax imposed by way of an undebatable action in the House of Commons.

● (1220)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the Leader of the Opposition (Mr. Clark) has risen on a question of privilege and he admitted at the outset of his remarks that it had absolutely no basis and that he was strictly appealing to parliamentary spirit and courtesy. However, I believe that if he truly respected this institution, he would at least make sure to abide by the rules. On occasion, House leaders meet to discuss the procedure to be followed, and I must admit that until now, I have been getting along quite well with his House leader and that we have had positive results during this first part of the session. However, in this case, he is not raising a valid question. He is using or abusing the rules of the House to debate a question which is certainly important, but there are other occasions provided under the Standing Orders for him to discuss this important issue. Next Monday, the Leader of the Opposition knows quite well—

Mr. Huntington: You are abusing the whole chamber.

Mr. Pinard: I beg your pardon?

Mr. Huntington: You are abusing the whole chamber.

Mr. Pinard: Madam Speaker, the hon. member knows quite well that next Monday will be an opposition day. He will have all the time needed during the weekend to consider the ways and means motion which was tabled today. If he so wishes, he can include in his own motion the issue of energy and discuss this matter properly according to our procedure. However, I believe that it is not quite honest to appeal to parliamentary spirit and courtesy and thus abuse the Standing Orders in an attempt to discuss a ways and means motion, which is not debatable. Standing Order 15 provides that we do not have to make a ministerial statement. If the minister wanted to make a statement, he is clearly free to do so. He decided not to, as is his privilege, and the Leader of the Opposition is well aware of it.

The procedure adopted today is absolutely appropriate and normal. It so happens that this is a matter of particular interest to the Progressive Conservative party. However, this is not a reason to force the minister into a statement. Once again, meetings are provided which make it possible for the parliamentary leaders to discuss the means to bring about a discussion on various subjects, in an orderly way, in compliance with our standing orders and in a parliamentary spirit. However, Madam Speaker, I submit that in order to elicit this courtesy, to promote this parliamentary spirit, one should not abuse the standing orders as the Leader of the Opposition has just done for five minutes by debating a matter which certainly is not a question of privilege; he has simply made a political statement when he had absolutely no right to do so.

That, Madam Speaker, is what is wrong with the present situation. They try to solicit our courtesy and our co-operation by making ill use of the Standing Orders and this is inacceptable. If the Leader of the Opposition had good reason to proceed in this way, Madam Speaker, I would say no more. But once again, I insist, since the beginning of this session by way of meetings with parliamentary leaders, we have succeeded in making significant progress. We have been able to initiate parliamentary task forces which will benefit Parliament, and in a parliamentary spirit. We have reached a major agreement with respect to supply by providing a few days of Committee of the Whole, in a parliamentary spirit.

We have adopted somewhere between 15 and 20 bills which were technically urgent, always in a parliamentary spirit. I wonder why the Leader of the Opposition makes ill use of the Standing Orders in the name of parliamentary spirit by raising a question of privilege which clearly it is not, to debate in an absolutely inappropriate manner a notice of motion which was tabled in accordance with the Standing Orders and at a time when the House still has at least one week to convene before adjourning for the summer and when the opposition will be given an opposition day which will allow it to address itself to this matter of energy.

Madam Speaker, this is what I am rising against at this time and I cannot accept that the opposition leader, in the name of the parliamentary spirit should appeal to our sense of courtesy while he himself is not going by, not respecting the Standing Orders of the House to make his point.

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, there is no question that technically under the rules the minister can do what he has done. That is not what we are challenging here; that does not seem to me to be what is at stake. But what is at stake is that for the second time in the life of this Parliament this government has introduced budgetary matter via the back door. That is precisely what we are talking about here.

On April 21 we had the Minister of Finance (Mr. MacEachen) making an economic statement of which he did not even have the courtesy to give me notice. Today we have the Minister of Energy, Mines and Resources (Mr. Lalonde) informing this House that the government as of midnight tonight, July 11, will impose a tax on oil. This is not a matter of future speculation—but a matter of government fiat, of which my colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell), did not have any notice whatsoever, that this government intends to amend the Petroleum Administration Act by imposing a tax on oil produced in Canada and on oil imported into Canada.

We are getting a budget by strip-tease here, Madam Speaker. We are not getting a series of economic policies; we are getting dribs and drabs thrown at the Canadian people from time to time. I think it is quite extraordinary on the part of the minister to introduce aspects of a budget. Will there be a cost of living credit to offset the effects of this increase in price? Will there be an energy tax credit, which even the member for St. John's West (Mr. Crosbie) offered? It was a paltry one, it was too late, it was insufficient, but at least it was there.

An hon. Member: You voted against it.

Mr. Rae: Will that be there? What will be the effect on inflation? What will be the effect on fairness? I say that it is quite extraordinary that in the middle of the day on a Friday—

Mr. Lalonde: What is wrong with Friday?

Mr. Rae: The minister asks what is wrong with Friday. I work on Fridays just as hard as he does.

An hon. Member: We work harder.

Mr. Rae: But I think we can take judicial notice of the fact that there are many members who live in the west of Canada. It is unfortunate that this is a problem which the minister will never have to face, but western members are not always able to be here on Fridays because of obligations in their constituencies. The minister knows that perfectly well. The point of the matter is that 12 hours prior to the imposition of a tax, we are given, without any notice, an indication in this form. I think it is quite an extraordinary way to run the affairs of this country.

The Prime Minister (Mr. Trudeau) was today unable to answer questions in relation to basic, fundamental economic policies of the government because he said that he had been too busy to study what was going on and what was being produced by the OECD. The Prime Minister is too busy to know anything about the economy. Now we have a minister of energy who, 12 hours prior to the imposition of a new tax which will have a dramatic effect on relations between the provinces and the federal government and a dramatic effect on the consumers of Canada, is telling us that this is the kind of tax he plans to introduce.

There is no question, Madam Speaker, that the minister can do this. There are many things governments can do.

An hon. Member: Order.

Mr. Nowlan: What do you mean? There is no order here.

Mr. Rae: But the test of fiscal honesty and the test of governmental responsibility is not whether or not you can do it, but whether or not you ought to do it.

Mr. Clark: That is right.

Some hon. Members: Hear, hear!

Mr. Rae: Previous governments have fallen despite the size of their majorities because they abused their majority, abused the courtesies of this House and abused the basic fundamental notion that, if taxes are to be introduced into this House, those taxes have to be debated on the floor of the House of Commons prior to the time that they are introduced.

Some hon. Members: Right.

Mr. Rae: It is quite amazing to me—

Mr. Lalonde: You do not know your parliamentary rules.

An hon. Member: Tell him kings have lost their heads for that.

Mr. Rae: The minister said that I do not know my parliamentary rules. I have said to the minister that he can do this; the rules do provide for it. What I am telling the minister is that that is not the question.

Mr. Clark: It is simply reprehensible.

Mr. Rae: The question is whether or not the minister ought to do it. I know that the minister will say today, just as he said yesterday in answer to a question about the pipeline, that he is not embarrassed by any changes in the government's position. There is a simple reason why the minister is not embarrassed, and that is that this is a government that has no sense of shame.

This is a government that was prepared on April 21 to introduce a budget without telling anybody about it. This is a

government that on July 11 is prepared to introduce a substantial tax at the refinery on oil and on the importation of oil without telling anybody about it, giving us no notice at all and trying to bootleg it into the House of Commons. This is a government which does not deserve the respect of any serious minded Canadian, Madam Speaker.

Some hon. Members: Hear, hear!

Madam Speaker: I will recognize a few more speakers on this question. However, I do want to remind members that they must debate the point of privilege and not at all enter into debate about the fundamental question and the ways and means motion which has been tabled today.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in joining in this debate, touching on my leader's question of privilege, I only want to add a few thoughts. I was going to make the point that has already been made by our colleague from Broadview-Greenwood (Mr. Rae) that this is, after all, a budgetary matter that we now have before us.

● (1230)

I would like to re-emphasize what the hon. member said, that we are bit by bit circumventing the entire budgetary process provided for by the rules of this House. I feel that in considering my leader's question of privilege, it must be borne in mind that the rules are very clear. If this is a budgetary presentation, then under Standing Order 60(3), and I quote:

When such an order is designated for the purpose of enabling a minister of the Crown to make a budget presentation, a motion "That this House approves in general the budgetary policy of the government" shall be proposed.

We are dealing today with something that could have a tax consequence of something like $1,200 million. To suggest that that is not something of a budgetary nature is most strange.

In a question directed to the Prime Minister (Mr. Trudeau) yesterday, I mentioned that we are in the odd position where it is now 27 months since the last wholly passed budget has been received in this House. As has been indicated, there was a mini-budget in April brought into the House, not in the normal fashion but as part of a throne speech debate. In doing that, the rules of the House were circumvented. At least there was no proper budgetary debate where the government was required to show its budgetary program, including expenditure levels and, if you like, the revenue levels such as we are now having brought forth today.

Let me emphasize this point. The precedents of not only this House but of Westminster are very clear in saying that there is a budgetary procedure that must be followed, partly for reasons of secrecy. Think of the odd position we are now put in. The stock exchanges of this country are open literally from coast to coast. Normally announcements of a tax nature such as the minister has indicated are not made until after all exchanges are closed, possibly to avoid unfair advantage as far as investors are concerned. We have literally dozens of listed petroleum companies which will be influenced by this announcement. Their shares are trading on the stock exchanges of this country. We have a minister and a government so anxious to avoid the normal procedures of this House that they are willing to take the risk of having a misuse of this information with respect to the trading of shares of dozens of companies on the stock exchanges of this country.

Let me also draw your attention, Madam Speaker, to an exchange that took place between this minister and my colleague from Joliette (Mr. La Salle) the day before yesterday, July 9. At page 2700 of *Hansard*, in response to a question put by my colleague from Joliette, the Minister of Energy, Mines and Resources said:

Madam Speaker, my officials have not been instructed to draft any type of legislation on the subject.

That was referring to the import tax on all forms of energy which my colleague from Joliette raised in the form of a question. Two days after we were flatly told that the minister's staff had not been asked to draft any type of legislation on the subject, we are faced with a ways and means motion proposing an amendment to the Petroleum Administration Act that will give the government the power to raise the refinery gate tax by as much as $1.75 a barrel. As I indicated, we use roughly 700 million barrels in this country, which means the tax could amount to $1.2 billion. Relating the matter to the energy consumer, we are talking about a possible 12 cents increase per gallon of gasoline.

This is a budgetary matter and I think the question of privilege raised by my leader should be sustained.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I want to make one very brief point which was suggested earlier by the Leader of the Opposition (Mr. Clark). According to Standing Order 60, the government has the right to introduce a ways and means motion to this House. The Standing Order reads:

A notice of a ways and means motion may be laid upon the Table of the House at any time during a sitting by a minister of the Crown, but such a motion may not be proposed in the same sitting.

A number of people on this side of the House have stated that the main issue of concern here is the future of the parliamentary system—whether a minister should be consulting others before bringing in more tax measures.

The point I want to make is that we in this country are now in the process of some pretty intensive energy negotiations between the producing provinces of Alberta and Saskatchewan and the federal government. It is very unfortunate for the future of those negotiations and for harmony in this country to have the federal government do this, I suspect without consultation with either of the producing provinces. Perhaps the minister can enlighten us on this when he rises to speak in a few minutes, but I suspect there was no consultation with the two provinces although the negotiations are already very sensitive and difficult. The government have introduced a tax at a stage which is very sensitive in the negotiations. That is very damaging, very bad and a serious practice for this government to follow.

The other point I want to make why we on this side feel that this is such a bad practice is that there are currently under

way some very sensitive negotiations on a constitution for this country. The issue that is the most sensitive of all is the issue of the division of powers and resources in our constitution, how much power should go to the provinces and how much to the federal government when it comes to resources and the revenue from those resources.

Here we have a government in the middle of those negotiations that, I assume without consultation with the producing provinces, has brought in a tax that is going to result in hundreds of millions of extra dollars from resources in those two provinces going to the federal government. This is very damaging indeed to a feeling of good will for the negotiations that just finished their first week in Montreal and will go on for two more weeks in Toronto and Vancouver.

For those reasons, Madam Speaker, I think you should look very positively on the question of privilege raised by the Leader of the Opposition, because what the government has done today is sown more disharmony in this country as well as more division and mistrust, and in essence has again pitted the east against the west. This is very unfortunate. I wish the government would learn to stop doing that type of thing. They often wonder why they do not do better in the west. They often ask why the west is unhappy. Here is one example why western Canadians are unhappy with the federal government.

The government have brought this in in the midst of negotiations on oil. The Prime Minister and the Premier of Alberta will be meeting in about a week or two. The government of Saskatchewan is involved as well. We are also in the midst of negotiations on the constitution where resources, energy resources in particular, are the most sensitive of all issues between the ministers. Bringing in this tax is bound to sow more disharmony and disunity in this country.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I too would like to speak briefly on this question of privilege raised by my leader concerning a matter which again is an indication of the fundamental contempt for the parliamentary process which this government so often shows. I am not going to try and get into the merits or demerits of this tax proposal, but I will try to emphasize in a most graphic way what is going on here.

I hope the people of this country, on a Friday afternoon on a summer day, will be tuned in to what is going on here. How many will appreciate that in the election a few short months ago there was something called an 18 cents tax increase which was supposed to produce $2.5 billion? What the minister has done today outside the House is produce, according to my calculation, a $1.25 billion tax increase with no reference to the members of the House of Commons. Members cannot ask questions about the implications and the effect that that tax will have. It is almost one half of what the 18 cents provoked across this country a few short months ago.

● (1240)

We have tried to make this point before but unfortunately the neophyte government House leader has not got the point because he does not understand what Parliament is all about. There is a minister in Montreal trying to set up a new constitution in an atmosphere which frankly, Madam Speaker, has sometimes in this House been very positive because of things which have happened in the last month or so. But how can those ministers go back to wherever they are supposed to meet on Monday—I suppose it is Vancouver—and crash on the table and talk about natural resources, powers and/or faith and confidence when something like this happens on a Friday afternoon?

This is so fundamental, I was frankly amazed. The minister has problems and he has to lay them on the table so we can ask questions. I am a member from Atlantic Canada, which has no option in terms of imported oil. We have no alternative. This oil refinery tax is going to be undoubtedly $1.75 and up on, perhaps, thermal generation for our electricity. I do not know that. Are there going to be any refund tax credits as we had in our budget? I do not know that either.

What I want to do, Madam Speaker, is try to impress upon the Chair something fundamental. The whole reason for Parliament was the taxing power to try to restrict the King from fighting the Wars of the Roses, with the King going off on the crusades. The lords and nobles used to meet behind the castle walls and try to make sure that they would not have to give so many horses, so much gold, so many troopers or so many wenches to get—

Some hon. Members: Oh!

Mr. Nowlan: —to get the knights to go off and fight in the wars and the crusades. Then the nobles said: "Listen, Mr. King, there comes a halt." I mean, that is the whole reason the commoners—they were not commoners, we all know that, they were the lords and the nobles. But the thing began because there was a House of Commons and they said they were commoners because they were common in terms of the divine right of the King to do what he wanted to do.

That is how the whole thing started, but let us come down to something a little closer to constitutions. I say this seriously. There is no doubt that the government can do what it has done, just as King George III could do what he did. He could do what he did, but look what he did!

Some hon. Members: Oh, oh!

Mr. Nowlan: Look what he did, Madam Speaker. Taxation without representation of those 13 colonies provoked something pretty fundamental which has forever changed the geographic landscape of this continent and the world.

I am not saying today that because of this motion there will be that same kind of provocation and fundamental change in the composition of Canada. But there is a fundamental difference between having the power and the numbers to do what you legally can do and yet trample on the thoughts and the fears, the apprehensions and the sensitivities is of those affected by what you legally can do. That is what is going on here.

I quite agree with the hon. member for Broadview-Greenwood (Mr. Rae) when he says that in view of what the Minister of Finance (Mr. MacEachen) did in April when he presented that budgetary document, a budget by strip-tease—I do not know if it is strip-tease or mummified, but I won't get into that—

Some hon. Members: Hear, hear!

Mr. Foster: Keep your shirt on!

Mr. Nowlan: The hon. member for Algoma (Mr. Foster) has been here a long time and he should know. It is a tragedy that some of those members opposite did not sit in the opposition a little longer to find out what the frustrations are and what some of the sensitivities are.

It is ironic. This Parliament was supposed to rise a week from Friday, or perhaps two weeks from Friday. I must say I am prepared to get out, but I am also prepared to stay. As the hon. member for Broadview-Greenwood and someone else said, it was not a flag debate, it was a pipeline debate. Why is it always pipelines and gas which sometimes bring out the parliamentary struggle? It was a parliamentary debate on pipelines in the hot summer days back in the fifties which fundamentally affected not only the Speaker of that day but also the parliamentary rights of the government.

I know we have just come through an election and we have this new Parliament which we frankly all expect may work for two or three years, but who knows? I can tell you, Madam Speaker, that this type of parliamentary contempt on taxing provisions may be legally within the rules but absolutely tramples on the rights of parliamentarians in this House. There are backbenchers on the government side who will be just as horrified to find out the implications of this taxing bill as any members on this side, as well as the public.

Some hon. Members: Hear, hear!

Mr. Nowlan: In conclusion, Madam Speaker, we talk about privilege and we all know members who abuse the privileges. We have sensitive egos from time to time and there is not a member here who should not have an ego that sometimes gets sensitized. But I go back to King George III and taxation without representation. We have the representation here, but what is the good of representation in the formal institution of Parliament if it is never consulted? That is the problem, Madam Speaker. My privileges as a member of Parliament representing a constituency in Atlantic Canada are grievously affected if I go home tonight, meet a person on the street and he or she asks me: "What is that tax going to do to me in terms of my processing plant? Am I going to be able to produce apple juice next year? What will it do to my heating bill next year in terms of thermal generation? Because I only have $10,000 from a war pension, do I get a tax rebate because I do not have an income of $12,000?"

Madam Speaker, my rights as a member of Parliament are fundamentally infringed upon because I cannot give an answer to any of those questions. I did not know about this tax until I found out today.

Some hon. Members: Hear, hear!

Mr. Nowlan: Perhaps it is good that this is coming up early in the session so that somehow we can try to get some common sense through to the other side. Madam Speaker, there is not a single member here who can answer questions from some of their constituents on something fundamental like taxes. If we cannot answer questions on taxing policies affecting gas, oil and heat, is that not a privilege affecting my duties as a member of the House of Commons?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am very happy to hear from the opposition members that they do recognize that the step which has been taken today is a step which fully and completely respects parliamentary rules.

An hon. Member: Right on!

Mr. Lalonde: What has been introduced today, under the rules of this House, is a notice of ways and means, the standard way in which adjustments of the nature made here are made in this House. When such ways and means motions are introduced they become effective immediately, but they are tabled in this House, indeed for debate, to enable the House to consider and debate them. I think every member from the opposition side has had to recognize that the procedure which has been followed here is not only the regular one but the correct one to follow in such circumstances.

I am sure that when hon. members have had time and have taken the trouble to read the notice of ways and means, they will realize that the facts do not correspond to some of the assertions or statements that have been made.

Mr. Clark: What happens to the heating bill of widows in Atlantic Canada?

Mr. Lalonde: This is not an additional $1.75 a barrel. It deals with an increase of $1 to $1.75 of the Syncrude levy that is collected, and has been collected for years in this country, in order to pay the so-called international price for synthetic oil. This is what this does. It is not providing for figures like the 12 cents per gallon that has been mentioned. Again, if hon. members bother to read they will realize—

An hon. Member: How much?

Mr. Clark: What will it cost the widow in Wolfeville?

Mr. Lalonde: I see the loser Leader of the Opposition (Mr. Clark) is unable to control himself again.

Some hon. Members: Oh, oh!

Mr. Lalonde: I am sorry the Leader of the Opposition makes the statements he does because he does not know the facts, I am sure. He will realize it costs half a cent a litre. That is what the hon. member would have realized had he bothered

to read the ways and means motion. That is what this motion does.

The point about the impact on federal-provincial relations is raised by my hon. friend. Again I suggest that if he goes back to the ways and means motion, he will realize that this is far from hurting the west or alienating the west. Where does the money go? It goes to pay for the Syncrude levy. It goes in part to the Syncrude and Suncor plants in northern Alberta, and the rest goes to the government of Alberta. This is money going to Alberta.

● (1250)

An hon. Member: All of it?

Mr. Lalonde: Of course. That is what the Syncrude levy is used for. It is used to pay for the synthetic oil at the international price level; the additional income goes to the companies, and then it goes to the government of Alberta in terms of royalties. So there is nothing at all here that is damaging to federal-provincial relations.

An hon. Member: It is not in the notice.

Mr. Rae: Madam Speaker, I rise on a point of order.

Mr. Lalonde: I am on a point of order, I am sorry. There is nothing at all damaging to federal-provincial relations and nothing at all that is not being done according to the standard rules.

[*Translation*]

Madam Speaker: Order. The hon. minister rose in answer to a question of privilege raised by the right hon. Leader of the Opposition (Mr. Clark). The hon. member for Broadview-Greenwood (Mr. Rae) is seeking the floor on a point of order. I have to hear what he has to say. The minister will be allowed to complete his intervention after this.

[*English*]

Mr. Rae: Madam Speaker, the reason for my point of order is that the minister has issued two documents, both of which, in my view, are capable of two completely different interpretations. The document which has been released as a ways and means motion is the one that we saw. We had to go outside in order to get the press release; the minister did not have the courtesy to give it to members of Parliament. They are not sufficiently important. However, the minister is making statements about the press release; he is not making statements which relate directly to the wording of this particular motion.

Mr. Lalonde: Again, Madam Speaker, my hon. friend has only to read the notice of ways and means.

Mr. Rae: Read it out.

Mr. Lalonde: It is on the table. What that ways and means motion means is an increase in the Syncrude levy, which is at the present time at $1, to $1.75. That is the effect of this ways and means motion.

Mr. Stevens: It does not say that.

Mr. Lalonde: I am sorry if my hon. colleagues again have not understood it that way, but that is the effect of that ways and means motion. It is amending—

An hon. Member: Read it.

Mr. Lalonde: This ways and means motion has the effect of amending the Petroleum Administration Act to increase the Syncrude levy from $1 to $1.75.

Mr. Kempling: Where does it say "Syncrude"?

Mr. Rae: The word "Syncrude" does not appear in the motion.

Mr. Lalonde: The word "Syncrude" does not appear in the motion, but it did not appear in the previous motion. My hon. friends should refer to all motions dealing with the Syncrude levy. This ways and means motion has been drafted in exactly the same way, I suggest, as the previous ways and means motion establishing the levy at $1.

Mr. Clark: How were they introduced?

Mr. Lalonde: It is a question of drafting the ways and means motion properly for the consideration of the House and the consideration of the people of Canada. Again, I am sorry if my hon. friends are reacting very quickly. They very quickly have concluded wrongly the effect of this measure. I regret that they have been misled in that sense and that they have reached the type of conclusion they have.

Mr. Kempling: You did the misleading.

Mr. Lalonde: I regret that it has led to this misinterpretation.

Mr. Clark: Perhaps you should have followed the rules of Parliament.

Mr. Lalonde: This ways and means motion is clear. If my hon. friends have misunderstood and misread it, I regret that, but this is clearly what it means, and this is what it is doing.

Mr. Rae: Read the motion.

Mr. Lalonde: My hon. friend is very obsessed with the idea of reading it into the record. It will be printed in the record. My hon. friend did not even bother to read it when he was intervening.

Mr. Rae: Read it now. I was reading it when I was intervening. Read it now.

Mr. Lalonde: Again, Madam Speaker, the effect of this—

Mr. Clark: It is to poison Parliament, federal-provincial relations and energy negotiations.

Mr. Lalonde: —is just to increase the Syncrude levy. It is going to benefit the oil companies operating in the tar sands,

and it is going to benefit the government of Alberta, which will see its royalties increased and its returns increased. It will mean an adjustment in the price of gasoline by about half a cent a litre, the procedure which has been followed in this case is the procedure which should have been followed. That is the way to respect the rules of this House, and I submit to my hon. friends that they will have ample opportunity to debate this as they are debating the budgetary measures.

Mr. Stevens: When?

An hon. Member: What budgetary measures?

Mr. Lalonde: As such, I suggest that the Leader of the Opposition (Mr. Clark) has not only abused the rules of the House but also that he has not been helpful in getting the proper understanding of what is being done here to the people of the country. Consequently, I submit, Madam Speaker, that there is no question of privilege.

Mr. Knowles: Madam Speaker, I rise on a point of order. We would like the minister to read the motion into the *Hansard* record. The minister says that the motion he tabled will be printed in the record. It will be printed in the order paper, but nobody outside Parliament sees that. I have taken a copy of his own motion across to him, and I simply ask that he read the motion into the *Hansard* record right now while he has the floor.

Mr. Pinard: You are wasting our time.

Mr. Clark: That has just begun, Yvon.

Madam Speaker: If there is unanimous agreement in the House that the minister read the motion into the *Hansard* record, I would tend to allow that just now.

Some hon. Members: No.

Madam Speaker: There is not agreement in the House.

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

Madam Speaker: We cannot consider two questions of privilege at the same time. Does the Minister of Energy, Mines and Resources (Mr. Lalonde) want to continue his intervention?

Mr. Clark: Read your motion.

Mr. Lalonde: Anybody can read the motion; it is in the record.

Some hon. Members: Oh, oh!

Mr. Lalonde: It says that it is expedient to amend the Petroleum Administration Act to increase the levy to $1.75, but it is from $1 to $1.75.

Mr. Stevens: It does not say that.

Mr. Kempling: You are gutless.

Mr. Lalonde: My hon. colleagues, I submit, are not recognizing that this is being done in a way that is completely in order.

Mr. Wilson: Madam Speaker, I rise on a point of order. I am sure that the minister does not want to mislead the House, because he has just said that there is a question here with regard to the motion. He states that the notice of ways and means calls for the levy to be raised from $1 to $1.75. That is not what is said in the notice of ways and means. The notice of ways and means says, "in any month shall be in such amount not exceeding $1.75". It is quite clear from this, without knowing the background of the notice, that the total increase in the tax is $1.75.

I think it would have been very helpful had the minister brought to the attention of the House that which is presented in this press release which has been released outside the House and which does state that it is from $1 to $1.75. That is what has caused the confusion and the commotion in the House this afternoon. I think it is important that the minister acknowledge that the increase is from $1 to $1.75, but that is not what is stated in the motion.

An hon. Member: One o'clock.

Mr. Clark: Have you the courage to stand up and read it, Marc?

[*Translation*]

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

At one o'clock, the House took recess.

● (1400)

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. John Thomson (Calgary South): Madam Speaker, prior to the luncheon recess the Minister of Energy, Mines and Resources (Mr. Lalonde) made the statement that the funds derived from the proposed additional levy, as outlined in his notice of ways and means motion, were to be paid to the province of Alberta.

I am sure that the minister would not want to mislead the House in this respect. I should like the minister to acknowledge the fact that these funds in no way go to the province of Alberta, that Alberta will never touch a cent of these funds. These funds, in fact, are to be paid into the petroleum compensation revolving fund to compensate the producers of synthetic crude for the difference between the domestic price for oil of $14.75 a barrel and the price at which he has presently frozen the payments to the synthetic crude producers of about $35 a barrel.

Mr. Collenette: I rise on a point of order, Madam Speaker.

Mr. Thomson: I would appreciate the minister clarifying—

Madam Speaker: Order, please. I have to entertain the point of order from the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette).

Some hon. Members: Oh, oh!

Some hon. Members: Sit down.

Mr. Collenette: Madam Speaker, I would ask that you clarify the situation. Are you going to rule on the question of privilege as outlined by the right hon. member for Yellowhead (Mr. Clark)—

Some hon. Members: Sit down.

Mr. Collenette: —or are we, by some spurious points of order, going to have a debate on the substance of the ways and means motion of which the minister has given notice?

Madam Speaker: I am listening to at least another hon. member, and then I will decide whether I will rule.

Mr. Thomson: Would the minister please clarify for the House that in fact the province of Alberta will not receive one cent of these funds that will be paid into the petroleum compensation revolving fund.

Mr. Lalonde: I rise on the point of order, Madam Speaker. I would certainly not want to mislead the House and I am sorry if my statement this morning might have led the hon. member to the wrong interpretation. Indeed, as indicated, the funds go to the petroleum compensation revolving fund and those funds serve to pay for the cost of oil from Syncrude and Suncor.

● (1410)

That fund also contributes to the payment to Alberta of other royalties, capital and operating costs of the companies. So what is coming out of the revolving fund, out of the Syncrude levy fund, goes to the companies to pay their operating costs and the Alberta royalties.

I apologize if I misled the hon. member this morning in this respect. The money pays for the corporations and for the royalties. Part of this money goes to the government of Alberta in the form of royalties. Again, on the point of order, I regret that I may have misled hon. members this morning.

Mr. Thomson: Madam Speaker, in fact—

Mr. Collenette: On a point of order, Madam Speaker.

Mr. Clark: Are you trying to shout everybody down?

Madam Speaker: Order.

Mr. Collenette: On a point of order, Madam Speaker.

An hon. Member: Sit down.

Madam Speaker: Order, please. Will the hon. members please resume their seats. I will entertain a point of order from the Parliamentary Secretary to the President of the Privy Council.

Mr. Collenette: Madam Speaker, as I understand what is at issue here, it is the right of the minister to give notice of a ways and means motion.

An hon. Member: You weren't here this morning.

Mr. Collenette: I was here this morning and I heard the whole debate. What we are operating under now is almost a statement by a minister with questions from either side. That is the way in which it is proceeding.

Mr. Clark: Stop lecturing the Speaker.

Mr. Collenette: I understand that the Minister of Energy, Mines and Resources (Mr. Lalonde) was speaking on a question of privilege, that he was interrupted once or twice on points of order, perhaps by the hon. member from Calgary. I would ask, Madam Speaker, that you clarify the procedure which we are now under. Are we on statements by ministers with questions coming from either side, or are we talking about contributions to a question of privilege?

Miss MacDonald: He made a statement in the House.

Mr. Collenette: I submit, Madam Speaker, that the hon. member for Calgary South has already contributed by way of a point of order on the minister's contribution to a question of privilege. If you intend, Madam Speaker, to recognize another member as you said a moment ago, then surely it should be a different hon. member.

I hope you will rule on the right of this procedural debate, because we are not on statements by ministers. We are on the whole question of tabling a ways and means motion by the minister.

Madam Speaker: The hon. member has asked me to clarify the procedure we are working under. Perhaps that will satisfy the hon. member for Nepean-Carleton (Mr. Baker), but I will recognize him if he has a further point.

We are debating a question of privilege. From both sides of the House I have allowed and entertained points of order. That is what I just did, because I would not, of course, be able to allow the Minister of Energy, Mines and Resources to speak twice on the question of privilege. He was answering a point of order, and I have allowed points of order on both sides of the House in the course of this debate. So we are not on statements by ministers; we are still debating a question of privilege.

Mr. Baker (Nepean-Carleton): That is right.

Mr. Thomson: Madam Speaker, I would not want the minister to mislead the House into believing that in fact any royalties were being paid to the province of Alberta out of the petroleum compensation revolving fund, because there can be

no royalties until there is a profit on the Syncrude projects and there is no profit. I would like the minister to acknowledge that there are no royalties and no moneys being paid out of these levies to the province of Alberta.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I am pleased to see in this discussion on the question of privilege that the Minister of Energy, Mines and Resources (Mr. Lalonde) has at least had the courage to correct one misstatement which he made. Perhaps before this debate is through, we will have the minister carry out the procedures more properly than we have seen today, in the spirit of trying to make this House co-operate, as my leader mentioned earlier today when he entered this debate.

When my leader put forward the question of privilege this morning, it was not so that the minister would automatically come to the House and make a lengthy statement. We know that he is operating under narrow legalistic terms; nobody has been arguing that point. What we have been speaking of is the question whether or not Canadians, through their Parliament and through the people whom they choose to represent them in the democratic process to which surely we all adhere, can be legitimately informed of the way they are to be taxed. Surely that is the question which is at stake here.

Surely this is the matter which will be troubling members of Parliament as we attend in this place and a great number of Canadians to whom we in this chamber are accountable in explaining to them what it is they will be required to pay in the way of taxation. I know that there will be many people asking questions of me and others about this new form of taxation, which will probably bring in something in the vicinity of $600 million in government revenues beginning tonight. Many people are going to be asking, "What does this mean to me personally?" What does it mean to people, particularly older people, not to mention the widowed elderly people who are single, people about whom many of us in this House have previously expressed concern? Faced with a new form of taxation, what will it mean to them in the way of additional costs for home heating fuel? That is something which I would like to be able to explain to my constituents as I go out tomorrow, next week or whenever it may be. We have not had that kind of explanation from the minister.

Obviously, it is a budgetary measure and something which should be dealt with in the way we normally tackle budgetary measures, but we have not had that chance in the House. That in itself, unfortunately, will be interpreted by many people in the country, whether it is a narrow legal interpretation by the government or not, as a failing of this House and of the members of this House to be able properly to explain the reasons for the new taxation.

What will it mean to people in one part of the country, such as the Atlantic area, who will suddenly be faced with higher costs for home heating fuel and who have no means of substitution with the oil-fired furnaces which they now have? What do you say to those people?

Mr. Corbin: Oh, oh!

Miss MacDonald: It is all very well for the hon. member from New Brunswick—what is his riding?

Mr. Corbin: Madawaska-Victoria.

Miss MacDonald: The hon. member for Madawaska-Victoria does not care about the older people and the poor people in his riding, but I want to tell him that I care.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Miss MacDonald: He may think that this does not mean anything in the way of additional costs, but I can tell him from a personal point of view—

Mr. Corbin: Tell it to Premier Hatfield.

Miss MacDonald: —that it means a great deal of difference to my mother who lives in Cape Breton.

Some hon. Members: Hear, hear!

Miss MacDonald: She does not have the chance to convert to other forms of home heating fuel. This will be an additional burden on her and on many hundreds of thousands like her throughout the country.

Mr. Corbin: You are not dealing with the fundamental question.

Miss MacDonald: The hon. member for Madawaska-Victoria does not seem to understand the fundamental question. The fundamental question is whether he is accountable and whether I am accountable to the people of this country for what we must tax them.

Some hon. Members: Hear, hear!

Miss MacDonald: That is the question. If the hon. member for Madawaska-Victoria does not understand that Parliament, in the final analysis, is accountable for the way in which it raises taxes—

Mr. Collenette: Speak to the question of privilege.

Miss MacDonald: —and spends the money of the people of this country, then he has no fundamental understanding of Parliament. I would say to the hon. member that those things should be taken into consideration. It is not necessary to do so under the narrow legalistic rules which the government all too often tries to use in order to wear out the humanitarian approach which it should use in its introduction of measures. Certainly it may not be necessary, but surely it is the civilized and decent thing to do when you are living in a free democratic society in which you are accountable to the people.

● (1420)

I say to you Madam Speaker, that what we have had here today is a blatant ignoring of the kind of tradition in which we have been schooled for generations, in fact, for hundreds of years as the British parliamentary tradition has evolved over the centuries. It is one which I think will not only bring shame on the minister, but unfortunately could serve to shame the whole institution of which we want so justifiably to be proud.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I am tempted to wonder what the previous member for Prince Albert would say about this procedure if he were in the House today.

I want to be very brief on this point of privilege. I am concerned, as is the hon. member for Broadview-Greenwood (Mr. Rae), with the fact that the government is once again trying to sneak in budgetary measures quickly, without adequate warning, notice and proper debate. I am particularly concerned because I had a chance to see the minister very briefly today. As my party's energy critic, I would have appreciated knowing that this motion was coming and would have appreciated getting some notice of his press release. Perhaps then the attitude on this side of the House might have been quite different.

This is not only a financial matter but it does, of course, concern energy. The delicate nature of the energy negotiations and constitutional negotiations in this country has been brought up by many members. I would remind the minister through you, Madam Speaker, that I represent a constituency in a province where the cabinet of that province is meeting with the cabinet of the province of Alberta. I know this is not the time to state my views on that, but I would say to the minister that these are ominous times, and this is a forewarning of some very difficult things that we are all going to have to deal with out in western Canada. I say that very seriously to the minister.

That is why on energy matters, the minister has got to be very careful that he gives the House the widest opportunity for debate and adopts the fairest procedure. Otherwise it will be perceived not just in this House or by members defending these thousand years of traditions of Parliament, but will also affect the very contemporary, difficult problems that we have in the west in dealing with what are almost separatist tendencies. I would ask the minister to remember this in his future actions.

Mr. Malone: We just want to separate from Lalonde.

Some hon. Members: Oh, oh!

[*Translation*]

Madam Speaker: I am ready to make a ruling on that question of privilege, but if the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) insists, I could hear him, because he was one of those who rose before I began my statement. Does the hon. member insist?

[*English*]

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): I appreciate your courtesy, Madam Speaker, and I will attempt to be brief.

I think it will be useful before you make your ruling for us to go back for a moment and remind ourselves of what it was the hon. Leader of the Opposition (Mr. Clark) said at the time he rose. He asked not that the minister be compelled by the House or that he be compelled by you to give any explanation of what he was doing, but he asked as a matter of courtesy that there be unanimous consent in the House to allow a minister to make a brief statement simply to explain this measure that he was putting before Parliament.

As so many members have pointed out, no one in this Parliament, certainly no one on this side of the House, was given any advance warning of this very major announcement which the minister was making today of a half-a-billion dollar increase in taxation which will affect the lives of every Canadian.

Common courtesy and tradition in this House dictate that when ministers are making statements of a major policy nature they have the responsibility to indicate to members of the opposition, to the official critics in the opposition, what their intention is in making those announcements so that we do not get major announcements sprung on us without any warning. There is nothing in the rules which requires that, Madam Speaker. No one on this side of the House has insisted that the rules did require it, but parliamentary convention and common courtesy demand that this be done.

There are rules in this House, both written and unwritten, which are important to each of us. I think it is essential that the government go beyond the strict interpretation of the rule book and that it acts with the sort of courtesy that it expected at this time last year when the government was then the opposition. At that time our prime minister, the current Leader of the Opposition, insisted that every minister in his government should extend that courtesy toward the House of Commons.

In Canada today we are talking about constitutional renewal to make the constitution work. We are talking in this House from time to time about the need for parliamentary reform to make Parliament work; in other words, what can we do to change the rules to make it function more effectively. If the truth were told, no change in the constitution and no change in the rules of Parliament would guarantee that Parliament was functional again or that federalism was functional again. What is necessary is that there be a change in attitude on the part of the leadership of this country.

Confederation could be made to work today if the government opposite were prepared to want to make it work. Parliament without a single change in the rules could be made to work today if there were a disposition on the other side of the House to share with Parliament the governance of this country.

Members on this side have pointed out that we have a responsibility toward the people of Canada, certainly toward our constituents, to explain to them the profound new policy announced by the government which becomes effective tonight, and which according to the government House leader Parliament should not have a chance to talk about before we go home for the weekend.

All the Leader of the Opposition did when he got up to intervene was to ask for a statement from the minister, which would have taken a minute at most, yet the government House leader, as the minister of energy was getting up to give that statement, jumped up to cut him off and prevent the minister from making that statement. I am sure that the government House leader's motives were honourable and that all he wanted to do was to expedite the proceedings in the House. But I say to him that the proceedings in the House would have gone on at a much more rapid and expeditious pace if he had shown that courtesy to Parliament and if he had been prepared to allow that brief statement to be made.

Mr. Nielsen: Parliament is a nuisance to them.

Mr. Beatty: At the very same time as the minister was tabling his notice of motion in the House of Commons, his officials were releasing a press release in the gallery which gave the substance of what we wanted to know. What was it that the minister was doing there? What was the purpose of this new policy? What would be the effect upon the Canadian people? Surely if Parliament is to have any function at all, it is essential that Parliament be entitled to have the same information which is made freely available by the flacks on the minister's staff to the press gallery and to other groups outside of Parliament.

Some hon. Members: Hear, hear!

Mr. Beatty: Madam Speaker, indeed, no rule of the House of Commons compels courtesy on the part of any member of Parliament, and certainly not on the part of the Crown. But common sense, parliamentary tradition and the need to have some respect for the people of Canada and for the representatives of the people of Canada should compel every minister of the Crown to treat the House of Commons with the same sort of courtesy which they would expect if they were on this side of the House.

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, I rise on a point of order which I hope will make your task easier. We are at the stage of notices of motions. I tabled the motion and I understand, and the other parties recognize as far as I can see, that it was correct and proper to do that. Once we reach "statements by ministers", if it helps the House I will be ready and available to answer questions. I submit that under this question of privilege we have covered a lot of the substance of the matter, but if there are further questions to be asked, then I will be available and will be happy to expedite matters by answering any questions that may be raised, so far as I can answer them, when we reach "statements by ministers".

• (1430)

I submit that there is no question of privilege here as such, Madam Speaker, but I am ready to help the House proceed and will be available when we reach "statements by ministers".

Mr. Clark: Madam Speaker, I will be very brief on the point of order raised by the Minister of Energy, Mines and Resources. I am delighted that he has accepted the suggestion I made an hour and a half of parliamentary time ago. The only question in my mind is what bloody-mindedness in the head of the government House leader, what motives on the side of the government, caused them to waste an hour and a half of the time of Parliament before acceding to this simple request.

[*Translation*]

Mr. Pinard: Madam Speaker, I think that the Leader of the Opposition (Mr. Clark) is unwilling to take a good lesson of parliamentary courtesy. Indeed, the time lost was used by his party, and I feel that the time taken up to now was to obtain some explanation from the minister who had the opportunity to speak on this boring question of privilege, who answered questions already put by some members opposite and who is trying to straighten things out, because actually, the Leader of the Official Opposition has enough experience to realize that what was going on was not so much a debate on a question of privilege as questions put to the minister.

The minister merely wanted to straighten things out and co-operate by answering more specific questions, if any, during the last hour and a half. I have much more respect for the members of his party than he has shown today. I do not consider that time has been wasted. They have made their point and explained what they had in mind, and questions have been put. That will spare the minister having to make a statement of an hour and a half. In fact, there is no reason why this debate should last more than a few minutes after the minister has expressed his views and answered a few questions.

To my mind, what we are doing right now is demonstrating that we can be courteous, as the Leader of the Official Opposition wanted us to be, that we have respected our rules, and that if the time spent on discussing the matter, which the Leader of the Official Opposition qualified as time wasted, was indeed wasted, then his party is responsible for it because, as far as we are concerned, time spent on the energy question is not time wasted, it is important time.

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, as I understood the Minister of Energy, Mines and Resources, he said he was prepared to make a statement and answer questions if this was the wish of the House.

I wish to make it clear that, so far as this party is concerned, that is our wish.

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: Under the circumstances, it would make things easier if I gave a ruling on the question of privilege on which we have spent enough time this afternoon. If I were to dispose of the matter, we could then proceed with orders of the day. Hon. members could then deal with the matter they want to discuss in the House today.

I recognize that the Leader of the Official Opposition (Mr. Clark) may have felt impelled to rise on a question of privilege on what could in fact be a serious grievance. I can understand that he should have tried to get a statement for his information and guidance. I do understand that his grievance can have some importance; still, I am sure hon. members will also understand that I am faced with a serious dilemma, in that all the interventions we have heard during this debate on the question of privilege clearly established that the question of privilege was in no way founded on a breach of our rules. The Leader of the Opposition indicated so himself. There was no breach of our rules, but rather one of the common courtesies and customs in current usage in this House, and on that I agree with him. I should perhaps read the Standing Order which authorizes the minister to do exactly as he did, namely Standing Order 60(1) that stipulates, and I quote:

60. (1) A notice of a ways and means motion may be laid upon the table of the House at any time during a sitting by a minister of the Crown, but such a motion may not be proposed in the same sitting.

The minister has then clearly chosen a valid procedure, as was his right. It is not up to me to choose the procedure, it is up to the members of this House, and the one that was indeed chosen is in accordance with the Standing Orders, and if I may remind hon. members, none of the participants in the debate has denied it.

I note in passing that one of the objections raised was that this occurred on a Friday afternoon, or more precisely on a Friday morning. I remind hon. members that any day of the week is appropriate for debating issues in the House, whether it be Friday, Monday or Wednesday. Every day, in my opinion, is appropriate, so obviously I did not entertain that argument.

One of the grievances was to the effect that the minister did not make a statement. There again, I must remind hon. members that it is open to the minister to make a statement or not when tabling a ways and means motion. He decided not to do so and I have the impression the debate on the question of privilege came very close to what it would have been had the minister made a statement, since he had to give so many explanations on what had happened. However, if later on in our proceedings the minister should rise to make a statement, we shall see what will happen then.

Point of Order—Mr. Andre

As to the question of all the courtesies that should be extended to the House, hon. members will also understand quite easily that is it is not up to me to discuss them, any more than I have any say in the agreements reached by the leaders of the various parties in the House. It is entirely up to the members and party leaders in the House. I am bound by the rules which say very clearly that what the minister did was in order, which rules the House in its wisdom gave itself. For the benefit of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), I should like to say that I am bound by the written rules. Customs and practices are a different matter. Of course, I always consult the precedents, but I always consider them in terms of the present Standing Orders.

So I cannot find that there is a question of privilege despite the fact I recognize the grievance was perhaps very important. I suggest that we proceed now with orders of the day.

* * *

[*English*]

POINT OF ORDER

MR. ANDRE—IMPOSITION OF LEVY UNDER PETROLEUM ADMINISTRATION ACT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise at the earliest opportunity after the minister's tabling of the notice of ways and means motion to raise a point of order which shows, I believe, that the notice of ways and means motion is in fact out of order, and that the minister cannot, through this mechanism, impose a tax as of midnight tonight. I think it is a point of order that has to be discussed and decided on today because of that implication.

The reason for that, Madam Speaker, is quite straightforward and simple. The notice of ways and means motion purports to amend the Petroleum Administration Act in regard to the charge imposed, levied and collected on each barrel of oil processed in the country.

The relevant section of the Petroleum Administration Act is section 65.12, which states that there should be imposed, levied and collected on, in part, (a) each barrel of domestic production and, in part, (b) each barrel of foreign production, and then it reads in the same language as the notice of motion and continues as follows:

—in any month after the month in which this part comes into force, a charge in such amount not exceeding one dollar a barrel as may be prescribed in a tariff of charges for that month made by order of the governor in council.

This act was not introduced by a ways and means motion. It is not a taxation bill but is a statute of Parliament to establish a program for subsidizing synthetic fuels in the country and to establish a fund outside the purview of parliamentary examination, outside the estimates procedure, outside the normal checks and balances available to the people through their representatives—a revolving external fund, by statute, without ways and means associated with it. The act describes this charge as a levy.

● (1440)

The then minister of energy, mines and resources, who introduced the bill, Hon. Alastair Gillespie, describes the bill at page 2314 of *Hansard* for January 27, 1978 as follows:

The bill also authorizes the funding of this program by a levy on all crude oil refined in Canada and oil products imported to this country.

He quite carefully described it as a levy. At no time in the discussion of this act or anywhere in the act is the word "tax" mentioned. It is not a tax measure at all. It is a statute of Parliament to set up a separate fund to fund a program agreed to, I believe, by all parties in the House. In any event, it was agreed to by Parliament. It is not a tax measure whatsoever.

Ways and means is described in Beauchesne's Fifth Edition, section 516(1), page 174, as follows:

A ways and means motion is a necessary preliminary to the imposition of a new tax, the continuation of an expiring tax, an increase in the rate of an existing tax, or an extension of the incidence of a tax so as to include persons not already taxpayers.

That is the definition of ways and means. It is the way in which taxes are changed, not the way in which statutes are changed. The statute has a limitation of $1 on a separate fund. I maintain that the government cannot through this procedure seek to alter the statute. I agree with the government House leader that under Standing Order 60(1) a minister can introduce a ways and means motion. My point of order is that this is not a proper ways and means motion and, therefore, must be ruled out of order. The proper procedure of introducing a bill with first, second and third reading is necessary to change a statute to amend that section of the act.

[*Translation*]

Madam Speaker: Maybe it would be better if I recognized the hon. member for Edmonton West (Mr. Lambert) first so that the President of the Privy Council (Mr. Pinard) could answer afterwards. The hon. member for Edmonton West has the floor.

[*English*]

Hon. Marcel Lambert (Edmonton West): Madam Speaker, the objective of my argument has been ably argued by my colleague, but I wish to draw your attention to a parallel situation in which I suggest the government would not in any way dare move by way of a ways and means motion, and that is to increase the charges under the Canada Pensions Act.

Under the Canada Pensions Act, contributions made by employers and by individuals go into the Canada pension fund. The Government of Canada does not contribute one split penny to the Canada pension fund. It is a fund apart. I suggest, in fact I strongly argue, that if it were to be the purpose of the government to try to increase the levies upon individuals and their employers with regard to the Canada pension fund, which they are going to have to do before too long, it would not be by way of a ways and means motion. There must be an amendment to the statute. In fact, it is within the power of an individual member of this House, in my submission, to so move to bring forward a bill to increase those charges. It does not affect ways and means of the government in any way whatsoever.

In this particular instance, this is a levy upon the production of certain categories of petroleum products. The revenues from that go into a fund. The government contributes not one red penny to it, one green penny nor blue penny—not one iota. The Petroleum Administration Act, among other things, provides for the levy. It provides for the accumulation of the moneys and it provides directly as to the distribution of those moneys. I repeat, the Government of Canada does not contribute one penny. This is not a tax.

The definition of a ways and means motion clearly confines it to a tax or a duty. There is excise tax, customs duty, income tax. A ways and means motion is simplified by certain requirements. I was part of the procedure committee when these amendments to our Standing Orders were brought in. I recall the former government House leader from Rosedale wanting this provision to simplify tax changes so that a minister could stand in his place and give notice of the ways and means motion which would then be debated on a date subsequent. Once having been adopted, a bill would be brought in to put into effect that tax change. However, this is not a tax.

Therefore, I submit that the government has to go back to the drawing board. The method adopted by the Minister of Energy, Mines and Resources is the wrong procedure. In saying this, I do not want to in any way prejudge what he was trying to accomplish. I simply say he has gone about it the wrong way. Since when in this House has the end ever justified the means? We have been most conscious about avoiding that. There is no way the Minister of Energy, Mines and Resources or any of his colleagues in cabinet can justify using a budgetary procedure to move to amend a statute that is not concerned with taxes. I respectfully submit, Madam Speaker, that the procedure adopted by the Minister of Energy, Mines and Resources was entirely out of order.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the argument raised by the hon. member for Calgary Centre (Mr. Andre) is interesting but unfortunately it is neither fundamental nor accurate. I think that in order to understand correctly—I believe the hon. member had the hiccups and I excuse him, and so does the Leader of the Opposition (Mr. Clark), Madam Speaker.

In order to understand correctly the point which is raised, I think it is essential to proceed with an intelligent reading of Standing Order 60(1) which is very brief. I would like to have it put on the record, and I quote:

A notice of a ways and means motion may be laid upon the Table of the House at any time during a sitting by a minister of the Crown, but such a motion may not be proposed in the same sitting.

Madam Speaker, on page 174 of Beauchesne's in citation 514 *et seq* Standing Order 60 is explained under the heading "Business of Ways and Means." Madam Speaker, I think the Leader of the Opposition does not feel well and he can be excused if he wishes to leave because as far as I am concerned

I am discussing a serious matter which might be above his head but I would like to be able to make my point as did his colleague. I did not interrupt him out of respect for Parliament and I expect the Leader of the Opposition who brought the matter up this morning, to extend to me the same courtesy.

Therefore, Madam Speaker, the ways and means procedure is provided to allow government to increase the burdens upon the people. This morning in introducing a notice of ways and means motion in accordance with our Standing Orders the minister expressed the government's intention to eventually legislate an increase in the burdens imposed upon the people. This expression of "burden upon the people" is not picked out at random, Madam Speaker, and it certainly was not coined by the two members who raised a point of order; it is taken from Beauchesne's on page 174, citation 514(1) which clearly states that when making a statement concerning the budget or the business of ways and means, at that time a notice of ways and means motion must be introduced if the burdens upon the people are to be increased.

A little further, we find citation 516 which was quoted previously by the member for Calgary-Centre (Mr. Andre); he read citation 514 (1) which is quite right but he should also have read citation 514 (2) and I quote:

Therefore no motion can be made to impose a tax—

—which in this case means, according to section 60, paragraph (1) and according to the interpretation given by the authorities of the business of ways and means, that an increase of the burdens upon the people could be done only by—

—no motion can be made to impose a tax, save by a minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament—

—this is not the case here—

—nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition. In like manner, no increase can be considered either of an existing, or of a new or temporary tax for the service of the year, except on the initiative of a minister, acting on behalf of the Crown; nor can a member other than a minister move for the introduction of a bill—

It seems obvious to me, Madam Speaker, that this morning the minister proposed an amendment to an act which implies an increase in the tax burden imposed on the people. And the first paragraph of the ways and means motion mentions that it is expedient to amend the Petroleum Administration Act to provide that each month, effective midnight, July 11, 1980, the charge imposed, levied and collected: (a) on each barrel of domestic petroleum, and so on. So, Madam Speaker, very clearly the government intends in fact to impose a charge on the people, to raise a tax and if this requires amending an act other than the Income Tax Act it does not mean that automatically it is excluded from proceeding through a ways and means motion.

Section 60 and others following as well as its subsections, because there are several, must be read and interpreted not only in light of their literal meaning but also of their spirit. It is the only section in our rules which allows and describes the procedure to follow to impose levies on the people. The present rules of this House do not provide for any other procedure.

So we want to increase a tax and there is no other way—indeed, hon. members did not suggest any—which would allow us to increase that tax except the one used by the Minister of Energy, Mines and Resources this morning. Finally, Madam Speaker, it is interesting to refer to citation 530 on page 177, again in Beauchesne, and to consider the following:

No augmentation of a tax or duty asked by the Crown can be proposed to the committee, nor tax imposed, save upon the motion of a minister of the Crown;

The definition is already extended further in my opinion. First, the author talked about increasing the charge upon the people, and he is now talking about taxes or duties. Only a minister can move such a motion. It is specified that this should be done by a notice of a ways and means motion.

—nor would an amendment to extend the imposition of a tax to persons enjoying an exemption therefrom be now permitted.

I am trying to understand the point raised earlier by the hon. member for Calgary Centre (Mr. Andre), who said that the government cannot increase the tax in this case because there is already a statute in existence which provides a tax and which is not the Income Tax Act. If this is what he was saying, I do not accept his argument because it is not essential that the provision which the government wants to change be included in the Income Tax Act for the government to use the procedure provided in Standing Order 60(1), which deals with notices of ways and means. I respectfully submit, Madam Speaker, that the only means at our disposal to increase a charge upon the people, as it is stated in Beauchesne, the only means to impose an additional burden in the form of a tax or duty, the only legal and regular means provided by the Standing Orders is to table a notice of a ways and means motion, which is eventually followed by the motion accompanied by the bill based upon the ways and means motion, and in practice, it is only at that time that the bill can be debated, even though we have had today a preliminary debate to the one which should have been held or would have been held once the bill had been tabled. I therefore submit that the procedure we have followed is quite in order, that it covers exactly the increase required by the minister, and that there is no other legal means to achieve this purpose. I submit that simply amending the Petroleum Administration Act would have been insufficient in this case and that we should have had to table a notice of ways and means, otherwise the members of the official opposition would have risen to object to our procedure for amending the text of the statute.

● (1450)

[*English*]

Hon. Walter Baker (Nepean-Carleton): On that last point, Madam Speaker, the government cannot argue there is no

other way to do what they want to do. Surely there is another way, the proper way, and that is to amend the statute.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): That is what Parliament is here for, or that is what I thought Parliament was here for. So that argument falls completely to the ground and I hope you will not be moved by it.

As to the point that the discussion here today is, in a sense, preliminary to a debate because at some time the government may bring in a bill, it is certainly that. If the government brings a bill down, there will certainly be debate on it. We are talking now about an important point of order, the question whether or not the government of the day has moved appropriately under the law.

Madam Speaker, of all the decisions you have been asked to make, this is likely to be the most judicial. The position as it has been put before the House by the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Calgary Centre (Mr. Andre) is very clear. The government can, of course, put down a ways and means motion—if they have legal authority to do so. In this case they have not, except under the terms of the Standing Orders of the House. We are not arguing the right to do it. We are arguing whether or not it is lawful in its terms, and it is clear on the face of the document that this is not a tax but a levy. It is a levy for a fund, not for the Consolidated Revenue Fund. It is a different thing. That is the one point you have to come to terms with, Madam Speaker, and it is very important to the House.

It is not by accident that we have established rules of practice here which require in certain circumstances, when it is appropriate and lawful for it to be convenient to the government to table a ways and means motion, that they can table a ways and means motion that is effective.

● (1500)

Equally, when the government enacted the Petroleum Administration Act in the first place, it chose the method by which it would make the levy. The levy would be made by an act of Parliament, and the only way the government can change that levy, under these circumstances in any event, it not being a taxing statute, is by another act of Parliament. That is the question as simply, clearly, and succinctly as I can possibly put it.

Mr. Fox: It is clearly wrong.

Mr. Baker (Nepean-Carleton): This is important for a number of reasons. An announcement was made today which I am sure has had a tremendous effect on the market. It is an announcement which, under these circumstances, I suggest is inappropriate. Surely the law officers of the Crown could advise the minister differently. Surely they could have done that, but much more fundamental than that is the position in which you, Madam Speaker, find yourself because this motion is to take effect tonight at midnight, assuming it is right, proper and legal, which it is not, in my respectful submission.

This decision of yours is one which should be reserved but really cannot be reserved, and I think the House has to accommodate Your Honour. The House should be prepared to accommodate you so that you can make that decision, and make it today. If Your Honour feels that it is appropriate, I think the House would be agreeable that the sitting be suspended until such time as you have had an opportunity to consult with your officers, because of the fact that it is a Friday and we are heading to an effective time at midnight. I hope the House would be agreeable with respect to that matter. It is for you to decide as to whether you need the time, but that is not the main reason I rise.

The main reason is clearly that there is one way, and one way only by which the government can act with respect to the Petroleum Administration Act because the government chose it originally when it brought in the act. It chose not to move by ways and means but to move by statute, a statute which imposes a levy, which is not a tax. A tax is the only thing subject to a ways and means motion. By statute is the only way this government can appropriately and lawfully move. It may be inconvenient for the government, but it is the only way it can move.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, there is no doubt that the hon. member for Calgary Centre (Mr. Andre) has raised a very important procedural—if not constitutional—point, and I am pleased that instead of the rather heated discussion we had earlier about courtesy versus discourtesy we are now having a calm and collected discussion about this serious point. I also feel that it is a difficult one for Your Honour and that you will have to give it very serious consideration.

If I may come to the conclusion of my argument first and then go back and try to point out how I arrive at that conclusion, I would say that the question before us is whether the fact that the Minister of Energy, Mines and Resources (Mr. Lalonde) put a title on this piece of paper that it is a notice of ways and means motion makes it a notice of ways and means motion. I have the feeling that the case is very strong for the fact that what the minister is proposing is an amendment to a statute and that the way to bring about that change is by giving notice of an amending bill. The difference which faced the minister, of course, is that we have a certain tradition around this place to the effect that an amending bill's provisions do not come into effect until that bill has been passed and the corresponding statute has been amended. However, the other side of that tradition is that a notice of ways and means motion, which is an amendment to a taxation statute, can come into effect immediately or, as usually is the custom, at midnight that night.

As I look at it, and I am following the argument put forward by the hon. member for Calgary Centre, what we have before us is the Petroleum Administration Act, which has in it certain provisions for charges, and the government, through the minister, wants to amend the Petroleum Administration Act. It seems to me that the only way he can do that is by giving notice of a bill to amend the Petroleum Administration Act.

He could have given that notice today. We would find out about it when we got the documents tomorrow but, of course, such a notice could not carry the provision that the tax be in effect at midnight tonight.

On the other hand, by calling it a notice of ways and means motion he can make the tax become effective at midnight tonight, as has been done times without number. So the question is whether it is a rose because we call it a rose or whether it is something else. The minister put the title on it, and he stood up under "tabling of documents" and said he was tabling a notice of ways and means motion to amend the Petroleum Administration Act. If it is a notice of ways and means motion, then the minister had the right to table it under "tabling of documents", and he had the right to provide for its coming into effect at midnight tonight. However, if it is not a notice of ways and means motion, despite the minister's naming it that, and if it is an amendment to a statute which is other than a taxation statute—a statute which has in it certain charges—then the only way he can do that, unless he has some kind of unanimous consent, is to introduce a bill to amend the Petroleum Administration Act. In my view it is as simple as that.

There is no argument about the right to table a notice of ways and means motion under Standing Order 60(1). There is no argument about the right of the government to give notice of a bill, with the concurrence of the Governor General, to amend the Petroleum Administration Act, but what Your Honour has to decide is whether the minister can turn what is an amending bill to a statute into a notice of ways and means motion simply by putting those words at the top of the piece of paper he gave to us.

I think there is a good deal of merit to what the hon. member for Nepean-Carleton (Mr. Baker) said. He said that Your Honour should be given time to consider this important point, whether that means that we recess for a little while or go on with some other business while Your Honour wrestles with this very important issue.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I concur in what the hon. member for Winnipeg North Centre (Mr. Knowles) said as to the importance of the point raised by the hon. member for Calgary Centre (Mr. Andre), but I also noticed the caution with which the hon. member approached this subject, covering both sides of the argument.

I submit that the official opposition is trying to have its cake and eat it too. *Hansard* will show that the whole argument this morning was that this was a tax or that this was a budgetary measure which imposes a tax on people. We heard all these arguments this morning. On the point of order that has been raised by the hon. member for Calgary Centre, the argument is that this is not a tax, that this is something called a levy, a charge, or something else. I submit that the opposition cannot argue both sides of the street at the same time. In effect what we have here is a ways and means motion, as the government House leader has indicated quite clearly, which fulfils all the conditions provided for a proper ways and means motion under the rules of the House, and the government House leader has cited authorities in support of his point of view.

● (1510)

I submit that when the hon. member for Winnipeg North Centre states that this ways and means motion amends the Petroleum Administration Act, he can make an argument that that is not in effect changing a tax. As the hon. member well knows, there are taxation provisions in all kinds of legislation, not only in the Income Tax Act or the corporations income tax act, but in all kinds of pieces of legislation there are taxation elements and taxation provisions. This ways and means motion provides for a specific charge, a specific levy which provides the funds necessary for the government to indemnify the companies which are exploiting the tar sands by paying them the difference between the unique Canadian price and the international price, whatever that price might be at that time. At present the levy, the charge, or the tax is not providing adequate funds to provide that indemnity to the companies, and the ways and means motion put before the House raises that tax—

An hon. Member: This is not a ways and means motion.

Mr. Lalonde: —it raises the tax from $1 to $1.75. As such, by whatever name my colleagues wish to call it, it comes under the provisions of our rules as a proper ways and means motion. I submit to you, Madam Speaker, that the procedure which has been followed here, upon the advice of the law officers of the Crown, is the proper procedure to be followed and that consequently, in my view, the point of order is not well taken.

Mr. Collenette: Madam Speaker, I wish to rise on a point of order.

Mr. Hnatyshyn: Madam Speaker—

Mr. Collenette: We are all on the same point of order, and Madam Speaker has recognized me. But I will defer, if you want to let someone else speak before me, Madam Speaker.

Mr. Baker (Nepean-Carleton): You were recognized. Go ahead.

Mr. Collenette: I was only trying to be courteous, Madam Speaker.

An hon. Member: Thank you.

Mr. Collenette: On the narrow point, the point of order of the hon. member for Nepean-Carleton (Mr. Baker), that is, the advisability of your making a decision on the admissibility of the tabling of this notice of ways and means motion, I submit to you, with all respect, that there is no motion before the House and that you are therefore unable to judge as to whether or not what has been tabled by the minister is actually a ways and means motion until concurrence is sought. I would say that only the courts are empowered to do this. I am not

arguing the merits of whether or not what the minister has tabled—

Some hon. Members: Oh, oh!

Mr. Collenette: Madam Speaker, I have sat here courteously while the Leader of the Opposition (Mr. Clark) heckled my House leader and others. I would ask that he show some courtesy because, as the hon. member for Winnipeg North Centre (Mr. Knowles) has said, we are not now trying to score parliamentary points between parties on courtesy between parties, we are on a fundamental matter relating to the governance of this nation. I submit to you, Madam Speaker, notwithstanding the merits of the ways and means motion, that the minister might be wrong or might be right, but the point is that it is not for the House to decide. This House, and that is you, Madam Speaker, does not have the authority—

An hon. Member: Jeepers-creepers.

Mr. Collenette: —to decide that the document tabled by the minister is or is not a ways and means motion. It is up to the courts to decide. We may be getting into a very difficult point at this time and Parliament will have to deal with it later on, and that is perhaps we should bring in some kind of law which provides for the provisional collection of taxes so that situations such as these can be prevented from arising. But I submit that on the fine point put forward by the hon. member for Nepean-Carleton, you, Madam Speaker, with all respect, do not have it within your mandate as the first among equals in this House to accede to the request contained in the point of order of the hon. member for Calgary Centre (Mr. Andre).

An hon. Member: That is garbage.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to be quite brief. I should like to dismiss the immediately preceding intervention in this way. So far as I am concerned and so far as every other member of the House is concerned, except for the parliamentary secretary, this House of Commons is the highest court in the land.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: We will make up our own mind as to what our procedures are and we do not need any mealy-mouthed intervention from the parliamentary secretary telling Madam Speaker what her rights and privileges are in this particular instance.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Madam Speaker, I think the matter has been placed before you in very simple terms. It is a very important matter we now face in terms of the admissibility of this suggested ways and means motion. The hon. member for Winnipeg North Centre (Mr. Knowles) has indicated that because you call something by a particular name this does not necessarily indicate that that is what it is. Your Honour will, of course, have to consult the governing statute in order to determine precisely the effect of this particular proposal which was put forward by the minister. Let me just use the minister's own words because, as has been pointed out to Your Honour, the fact is that he has, simultaneously with the tabling of this document, issued a press release in which he tried to explain precisely what he was doing. Here is what he, or some functionary in his department and under his authority, stated in the press release:

The Minister of Energy, Mines and Resources, the Hon. Marc Lalonde, today introduced a ways and means motion to amend the Petroleum Administration Act—

In other words, the minister himself, by his own words, indicated that the effect of this is to amend the provisions of the act. The point by my colleague for Edmonton West is well taken that this involves a revolving fund. The minister himself in his press release acknowledged the fact that a fund is in existence and that the levies and contributions to this fund do not—and he underlines the word "not"—in any way increase the amount of the Consolidated Revenue Fund. He underlines the fact that this is a separate fund. Statutory provision has been made in this connection, and if the limits of that fund are to be adjusted and the amount of the levies into that fund is to be increased, it seems to me to be logical that the way to do it is by way of an amendment to the legislation, not by a ways and means motion.

We all acknowledge that this has an impact on the public, that the public is, in fact, contributing to a fund which is not the consolidated revenue fund. While there may be an obligation by way of a charge on the part of the government with respect to the deficit, that, I think, is incidental to the argument because it is a matter of legislation. I suggest to you, Your Honour, that this matter is of sufficient importance that you might feel compelled—and I think it is incumbent in view of the substantial amount of money which needs to be raised as a consequence of this ways and means motion and the effect of attempting to collect it being found to be ultra vires—to adjudicate upon the appropriateness of the purported ways and means motion brought forward by the minister.

● (1520)

The House always has the right to address itself to your ruling. But the fact of the matter is, it is imperative that you rule on the matter, Madam Speaker, and that it be brought before the House so that there can be some clarity and so that the people of Canada will not suffer from the amount of injury which they would suffer in terms of economy and from the consequences of the confusion which will take place if we do not resolve the matter this afternoon.

Madam Speaker: I feel that it is very important for me to rule on this matter today, but I would like to have some time to consider this very important point of order which has been raised by the hon. member for Calgary Centre (Mr. Andre), as well as the arguments which have been put forward in support of that very important point of order.

I have tried to note all of the arguments which have been brought forward. I am sure that the clerks at the Table have

done so as well. I would like to have some time in order to deliberate with them as to the decision which I should render on this point of order. Therefore, if the hon. member for Annapolis Valley-Hants (Mr. Nowlan) and others who have risen insist, I will hear them, but time is running short. If they wish to withdraw, I would like now to put someone else in the chair and retire to my chamber so that I may deliberate.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, I appreciate your point, but I will only be 30 seconds. The point I wish to make is fundamental, and there is now a calmer atmosphere. Some of the more important points in life are very simple points and this is a very simple point. But it does not take away from its fundamental character.

I heard the government House leader say, I believe, although it was in translation, "This is the only way to do it". I want to go back and accentuate what the hon. member for Calgary Centre (Mr. Andre) said and what the hon. member for Nepean-Carleton (Mr. Baker) and others repeated. It comes back to what the Minister of Energy, Mines and Resources (Mr. Lalonde), said about the opposition having both sides of the street.

Everyone argued this morning in a heated atmosphere on a question of privilege. You ruled on that question of privilege, and we accepted it, but then we got into the specious reasoning that just because you ruled on a question of privilege, we were not supposed to raise a bona fide point of order. That, to me, is absolutely incredible, as was the suggestion that the courts of the land are supposed to dispose of this matter after tonight, when this is the highest court in the land.

But coming to the matter of both sides of the street, when this bill was introduced and passed in, I believe, in April, 1978, it was not introduced by a ways and means motion. The government House leader today in his reply earlier said that that was the only way to do it. Who is trying to have both sides of the street? When the bill was introduced it was not done by a ways and means motion, yet today the government tries to amend it by a ways and means motion.

In conclusion, there are some things that could be said, but the principle is to me so fundamental. I would hope that the law officers of the Crown, in giving you advice on this matter, Madam Speaker, would appreciate my point, that if a government, whatever its political stripe, can amend a statute which levies a charge by ways and means motions, then the Crows-nest Pass law, for instance, could be amended by a ways and means motion. I would suggest that there is not a bill that levies a charge, not a tax but a charge that is a separate fund, that could not then be changed by a ways and means motion.

Mr. Hnatyshyn: Don't give them any ideas.

Mr. Nowlan: The government House leader prompted me to make this intervention long before the parliamentary secretary made his incredible suggestion that this place and yourself do not have the right to rule on this matter. Such a situation would make this place so inane that I do not think his suggestion is worth rebuttal. But when the government House leader says that the only way to deal with the matter is the way in which the Minister of Energy, Mines and Resources tried to deal with it, when the very foundation of the bill was not a ways and means motion, then to me, through his argument, he has caught himself in his own petard.

Mr. Friesen: Pinard.

Mr. Nowlan: Pinard by petard, or petard by Pinard. Be that as it may, we have a statutory levy, and the only way to change a statutory levy is by amendment.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I do not wish to indulge in the House, and I think that I can make my point in 30 seconds. The Minister of Energy, Mines and Resources (Mr. Lalonde) made the point that there are all kinds of statutes which authorize charges, levies and taxes. Each of those statutes spells out a particular form of amendment. The case which we are making here today is that the government is attempting to amend a statute which can only be amended by the introduction of a new statute here in the House of Commons, by the use of a ways and means motion.

In other words, the case which has been made by my colleagues on this side of the House and, I believe, joined by the hon. member for Winnipeg North Centre (Mr. Knowles), is that we have here a situation where there is a levy established by a statute, a means set out by which that levy can be changed and that statute can be amended. The government today, perhaps inadvertently, is trying to change that statute by an instrument that is not lawful as a means of changing it.

Madam Speaker: I would like to reserve my judgment on this point of order. Rather than suspend the sitting, I think that in the interest of the House the deliberations should continue with someone else in the chair.

Tabling of documents?

Statements by ministers? The Minister of Energy, Mines and Resources.

Some hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, on a point of order, I am sure that the Minister of Energy, Mines and Resources would agree that it would probably be well for us to await your ruling before he makes his statement. We are prepared to hear him now, but if the point raised by my colleague for Calgary Centre is found to be accurate, he would be explaining a measure which is impossible for him to introduce. Certainly in so far as we in this party are concerned, we would be prepared to revert to statements after your decision has been rendered, if that is necessary.

Mr. Lalonde: Madam Speaker, having waited that long, I can wait a little longer.

Mr. Nielsen: You may not have to make it at all.

Order Paper Questions

FOREIGN PROCEEDINGS AND JUDGMENTS ACT

MEASURE RESPECTING PROCEDURES

Hon. Marc Lalonde (for the Minister of Justice) moved for leave to introduce Bill C-41, to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings.

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

* * *

● (1530)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 216, 378, 731, 732, 757, 839, 855, 875 and 931.

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

[*Text*]

C.N. TOWER—TORONTO

Question No. 216—**Mr. Herbert:**

1. What was the total expenditure on the CN Tower in Toronto?

2. What was the total gross revenue and net revenue to date since the completion of the project and from whom were such revenues received?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows:

1. The total undepreciated capital cost of the tower was $59 million. Net book value after depreciation as of March 31, 1980, is $55.6 million.

2. Total gross revenue of the tower from June 26, 1976 to March 31, 1980, is $25.5 million.

Total net revenue (net income before interest) from June 26, 1976 to March 31, 1980, is $6.8 million.

Sources of Revenue:

Visitors to sky pod and spade deck	63 per cent
Rental from broadcasters	13 per cent
Rent from restaurant operations	9 per cent
Souvenirs and gifts	5 per cent
Other	10 per cent

EXPORTATION OF TELECOMMUNICATIONS EQUIPMENT

Question No. 378—**Mr. Herbert:**

In 1978, by value of the equipment exported, to which ten countries did Canada export the most telecommunications equipment?

Hon. J.-J. Blais (Minister of Supply and Services): Ranked by value of the equipment exported, Canada shipped the most telecommunication equipment to the following ten countries in 1978:

Country	$'000
United States	369,814
United Kingdom	38,496
Turkey	14,396
West Germany	12,346
France	11,434
Malaysia	9,074
Saudi Arabia	8,950
Ireland	5,365
Italy	5,041
Libya	4,754

CANADIAN NATIONAL EXPRESS

Question No. 731—**Mr. Clarke:**

1. With reference to the Canadian National Railways Annual Report for 1979 and with particular reference to the report by CN Express, since 1978, has there been a 41 per cent increase in the operating loss of the branch and, if so, has the minister made any enquiries of the corporation to discern the cause of this large and growing deficit?

2. Did the operating expenses of the corporation rise at well under half the rate for the operating loss and, if so (a) how does the corporation explain this growing drain on its operations (b) what course of action is the corporation contemplating to ensure that such losses are reduced and finally eliminated?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1 and 2. The deficit attributable to express operations in 1979 included special costs of $10 million associated with the introduction of a computer-based control system intended to bring about significant longer-term reductions in administrative and operating staffs. Other major programs are in place to achieve productivity improvements and strengthen market position. These will result in significant staff adjustments which are expected to bring about an overall improvement in financial results. It is clear, however, that these programs will not suffice to eliminate the deficit; that cannot be done unless express is able to withdraw from lighter density areas and make more extensive use of local trucking companies for integrated service to some 400-500 smaller communities. The potential benefits of such changes are currently being examined.

TERRATRANSPORT

Question No. 732—**Mr. Clarke:**

1. With reference to the Canadian National Railways Annual Report for 1979 and with particular reference to the report detailed by Terratransport, since the corporation has now been operating this division for over a year and has had an

opportunity to review its financial situation and the market conditions, can the corporation state whether there is any prospect that, in the future, it will be able to operate on a self-sustaining basis eliminating its operating loss and, if not, can the corporation state whether this division is expected to contribute to the operating income in a positive way or whether it is expected that it will, for the indefinite future, be a drain on the profit-making divisions of the corporation?

2. What conditions would be required for this division to make a positive contribution to the operating income of Canadian National Railways?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. Internal studies conducted by CN confirm the general findings of the Sullivan Commission, i.e. that there is no apparent future role for the railway in terms of significant business opportunities and that continuation of rail operations on the present scale holds no prospect other than for a further deterioration in the present financial performance of Terratransport.

2. The deficit might be reduced in some measure by service adjustments; abandonment of lighter-density traffic sections; or by a major change in focus to, say, an integrated intermodal-type service. Such changes could not be expected, however, to put the rail operation on a commercially sound basis and if the rail system is to be continued as a matter of government policy, then CN must continue to seek compensation for the resulting shortfall.

DEPARTMENT OF LABOUR—CONSULTANTS UNDER CONTRACT

Question No. 757—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Labour and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. Gerald Regan (Minister of Labour):

(a) Four (4) administrative consultants—total cost $44,662.

(b) Six (6) policy consultants—total cost $114,800.

Four (4) boards/commissions, etc.—total cost $899,-300.

See reports below.

In so far as the Canada Labour Relations Board: none.

Administrative Contracts

Name	Number of Contracts		August 1, 1978 to March 31, 1980 Cost
Smith-Ault and Associates	1		$ 7,000
Ronald Capelle Associates Ltd.	1		$ 1,800
R. G. Consulting Ltd.	1		$ 32,362
Ian Campbell	1		$ 3,500
		Total	$ 44,662

Policy Contracts

Name	Number of Contracts	August 1, 1978 to March 31, 1978 Cost
J. Wanczycki	1	$ 14,000
J. Mainwaring	1	$ 22,000
K. Kaplansky	1	$ 24,000
Smith-Auld and Associates	1	$ 16,800
R. G. Consulting Ltd.	1	$ 30,000
G. McCaffrey	1	$ 8,000
	Total	$114,800

Boards/Commissions

	Number of Contracts	August 1, 1979 to March 31, 1980 Cost
R. Adams – paid educational leave	1	$321,100
F. Bairstow – wider-based bargaining	1	$156,000
A. Carrothers – redundancies and layoffs	1	$299,000
R. Elfstrom – DEVCO explosion	1	$123,200
	Total	$899,300

TEACHING OF SECOND LANGUAGE—NEW BRUNSWICK

Question No. 839—**Mr. Howie:**

For the fiscal year ended March 31 (a) 1978 (b) 1979, what amount was paid to New Brunswick to assist in the teaching of a second language?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Under the federal-provincial agreements pertaining to the official languages in education, contributions to the province of New Brunswick in fiscal years 1977-78 and 1978-79 for the teaching of French as a second language were:

Fiscal Year	Amount
1977-78	$1,830,542
1978-79	$1,959,365

Note: Figures reported include payments totalling $430,718 in 1977-78 and $379,953 in 1978-79 respectively which apply to both minority official language education and second official language instruction. No further breakdown is available.

SECRETARY OF STATE—GRANTS TO EDUCATIONAL INSTITUTIONS

Question No. 855—**Mr. Crouse:**

1. During the year (a) 1976 (b) 1977 (c) 1978 (d) 1979 (e) 1980, what grants, if any, were awarded by the Department of the Secretary of State to the universities or post secondary educational institutions in Nova Scotia and, in each case, were such grants given under programs of general application and (i) if so, what were the programs (ii) if not, what were the special circumstances which formed the basis for a special grant?

2. What was the amount of the grant, in each case?

3. Did the department oversee the actual use of such moneys or monitor its effect and, if so, in each case, by what method?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): 1. In so far as the education support programs branch is concerned no grants were awarded by the department in the years in question to universities or post-secondary educational institutions in Nova Scotia.

2 and 3. Not applicable.

Order Paper Questions

PENSION REVIEW BOARD

Question No. 875—**Mr. McKenzie:**

1. Are all of the positions in the Pension Review Board filled and, if not, which ones are vacant and for how long have they been vacant?

2. (a) What was the total number of review applications received by the board in the 1978-79 fiscal year (b) how many were dealt with and how many (i) were granted in pension (ii) outstanding applications were there?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

1. No.

Vacant Positions	Since
One position on the board	April 17, 1980.
One secretary	March 24, 1980.

2. (a) 1350

(b) 1050 (13 withdrawn)

(i) 247

(ii) 1898

VIA RAIL—BROCKVILLE—LOCAL TELEPHONE NUMBER

Question No. 931—**Mr. Cossitt:**

1. Was the local telephone number of VIA Rail in Brockville, Ontario, disconnected and, if so (a) for what reason (b) under whose authority (c) was the Department of Transport consulted?

2. Was a WATTS line "800" number assigned in its place and, if so, is the government aware that the service rendered by such a line has resulted in dozens of complaints in the area?

3. Is the government aware that the change in number has seriously decreased service to the public and that some persons are alleging that it has taken them as long as twenty minutes to get an answer?

4. Will the government take steps to obtain the co-operation of VIA Rail in rendering a much faster service to rail passenger users in the Brockville area and, if so, what will be such steps?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): VIA Rail Canada Inc. advises as follows: Yes.

1. (a) To provide RESERVIA Service to the general public in localities served by area codes 519, 705, 613.

(b) VIA Rail Canada Inc.

(c) No.

2. The local telephone number of VIA Rail Canada Inc. was changed on March 17, 1980, to WATTS number 1-800-268-9520 with a total of 11 trunk lines connected to the central reservation office in Toronto. See 3.

3. Because of constraints resulting from training in utilization of new equipment and new personnel, VIA Rail was not able to provide the public at the outset with the quality of service they are entitled to. This has changed and of a total of 8,165 calls received on May 16, 19, 20, 21 and 22, 5,973 calls (73 per cent) were answered within 20 seconds and 2,192 calls (27 per cent) were answered beyond 20 seconds.

4. See 3.

[*English*]

Mr. Deputy Speaker: The questions enumerated by the hon. parliamentary secretary have been answered.

Mr. Beatty: Mr. Speaker, I rise again this week to bring to the attention of the parliamentary secretary question No. 970 standing in my name, which deals with the names of the cabinet committees and the functions of cabinet committees as well as the names of ministers who serve as the members and second alternates on each committee.

The parliamentary secretary will remember that in question period earlier this week the Prime Minister (Mr. Trudeau) undertook to have that information available. When I asked the parliamentary secretary about it earlier this week, he indicated he would speed up the response to this question which has been on the order paper for six weeks. In his answer yesterday the Prime Minister tabled the names of cabinet committees and members. I wonder if the parliamentary secretary could indicate the reason for the delay in giving a response to the question. We have yet to receive a description of the responsibilities of the various cabinet committees as I requested.

Mr. Collenette: Mr. Speaker, I did answer this question yesterday. I understand that the hon. member was somewhat busy yesterday and must have left the chamber at three o'clock or immediately after, when the Prime Minister tabled part of the answer he seeks. I know he was not in his seat for the late show either, so I assume he was very busy and did not read *Hansard* to see that I did address myself to this point and promised to make a full answer next Wednesday.

Mr. Deputy Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

Mr. Towers: Mr. Speaker, I rise on a point of order. I wonder if the parliamentary secretary could see that questions No. 810 and 811 are answered next week as there has been some suggestion that there might be a recess. These are important questions concerning the Metric Commission. I hope they can be answered because they should be answered prior to any recess.

Mr. Deputy Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed, from Thursday, July 10, consideration of the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the third time and do pass.

Miss Coline Campbell (South West Nova): Mr. Speaker, I do not plan to speak at length again on Bill C-3 but I wish to take the opportunity once again to bring to the attention of the House the use of the variable entrance requirement. Its application to Canadians is, in my opinion, discriminatory and inequitable.

The fact that claimants now have to wait 18 months for correction of a self-evident injustice is, in my opinion, harsh and unwarranted treatment. The Unemployment Insurance Commission should be able to recommend amendment of the extension of the use of the variable entrance requirement which at present is based on statistics which are unfair and discriminatory.

The commission has recommended that the regulations change the required number of hours of employment from 20 hours or 30 per cent last year, to 15 hours or 20 per cent this year, in terms of maximum insurable earnings. We are told that this will come into effect next January. It was announced today that wives of fishermen will now be able to work for their husbands who are fishermen.

Section 58(*t*) of the act provides that the commission could increase or decrease boundaries of economic regions so I do not see why it could not increase or decrease certain areas of the country where the application of the unemployment insurance rate is so harsh.

I should like to concentrate on the problem of the extension of the variable entrance requirement, Mr. Speaker, on the harshness of this provision, the cost of its application and the confusion it has created for a certain group of people in Canada. The application of this requirement has had horrendous consequences for my constituents. No worker knows how many weeks work is required in order to qualify for benefits the following winter or fall. He cannot use the last time he applied for unemployment insurance benefits as a guide, because of the variable entrance requirement and because the unemployment insurance rate is forever changing. A three-month statistic is used to change the variable entrance requirement. That means that in December a statistic is used which is based on the unemployment rate in September, a time when employment is high in some areas of Canada.

Another consequence of the use of the variable entrance requirement is that at the time a claimant makes an application he has no idea whether he will have enough insurable weeks to qualify by the time the application is processed.

The variable entrance requirement is changed from month to month. An application made in October will take two or three weeks to process—depending on when the claimant attended at the office. If he went there in the middle of the month, the application will be processed by the middle of November. By that time the office will write to inform him that he now needs a different number of weeks than the number required when he originally made application in October. He then has to find an additional week wherever he can, by November, but by the time he returns to the unemployment insurance office the requirement is likely to have been changed again. The foregoing shows how confusing and harsh the commission is in dealing with claimants.

Just last year the local employment office in my area needed 15 extra people to process applications under the variable entrance requirement, and at that they were running two weeks behind. When someone has been waiting five weeks for benefits and then is told he has to wait longer for benefits to commence, it creates hardship for him.

The variable entrance requirement has created hardship in rural communities as in the case of South West Nova. One person may have to travel 150 miles to the office only to be told that instead of needing 16 weeks in order to qualify this month, he needs 17 weeks. He may go back and tell his neighbour that the requirement is 17 weeks. But the two cases are not necessarily treated in the same way, Mr. Speaker. Perhaps the person who needed the 17 weeks happened to go to the office at the beginning of the month or the end of the month—or perhaps it was February and they were basing their unemployment statistics on December figures, but three months back. All of a sudden, in January, he needs 17 weeks, and now in February he only needs 16 weeks because of the unemployment rate changing from month to month.

That is a hardship, Mr. Speaker. It can be because of a different change in the month—because the applicant is not a repeater within that year and therefore really only needs the entrance requirement in order to receive benefits. Unfortunately, he should have received benefits in the last two years or else he would be penalized and would have to receive 20 weeks. Or it could be that the changes occurred in the type of area they were going from. The application of the variable entrance requirements to constituents makes the manpower office deal with an individual case instead of the unit. In other words, there is not one case that comes into an office that is exactly the same. There may be a differing element during the course of the day, the present delivery services faced with maybe seeing 20 cases and there being 20 different elements to the way a person deals with it. For instance, it could be a repeater, a new person who has come into the work force, or someone who has not collected unemployment insurance benefits in the last year.

● (1540)

In my opinion there is a need to state a definite time period in which claimants must work. If there are higher unemloyment insurance rates in some areas of the country, fine, I say

make allowances. If there are lower unemployment insurance rates across the country, make allowances, but remember that when economic regions are being put together and you are coming up with an unemployment rate that one part of that economic region is so harshly treated in the use of that unemployment rate in terms of the variable entrance requirements, and repeaters, the commission certainly should be able to make some commitment to the people of that area, in other words, to give them a definite time period for which they must work and know now instead of in December.

In the month of May the entrance requirements will not be as heavy on the claimant as they would be in the month of December because of the three-month-old statistics. I have already said that the commission seems to be able to come up with changes when it wants to see the changes. Last year, eighteen months ago, we were telling the commission it could not go to 20 hours a week because it would hurt a wide group of Canadians. But we have to change this year. Members of Parliament should be told what the changes should be, namely, the people who are concerned with that element of the people. While we have an unemployment insurance program it seems to me that maybe some people opposite want to slim it down, but while there is an unemployment insurance program in operation, let it be done fairly and equitably, but it is not being done fairly or equitably.

I come back to the point of the 15 hours. It may happen in the small rural communities that a plant will be able to provide ten hours this week and ten hours next week. I ask why not combine that time and give one stamp for the 20 hours instead of putting it back to 15 hours when it is generally the case they cannot get the 15 hours if there is no fish or if the plant is not working? There are several other areas I feel strongly about respecting the way this act has come in and its amendments. We have been told by the minister that there will be a task force for 18 months. I have been told that we are reviewing the unemployment insurance program for the last three years, and yet we have amendment upon amendment and it will continue unless the commission is going to base itself on the facts which the members of Parliament are going to show them. It seems to me that this is a useless process. It is hurting the individual. The people who are more aware of it are the members of Parliament.

I am not certain whether or not the task force will be useful. We will have to wait and see. But I know that during the time period, whether it is 18 months, two years or five years, the application of the Unemployment Insurance Act as it stands today, basing itself on statistic regions, is not one that can be looked at across the board as being a fair application.

If one looks at the economic regions, and takes one area, for instance, South West Nova based in Moncton with Lunenburg, what does it do to Lunenburg? It gives it a higher rate of unemployment. It is a highly industrialized area. It has very few economic problems as such. But there the people will have a lower entrance requirement than if the actual facts were being looked at. You could look at another economic region where there is high unemployment, such as the one that includes Truro, Nova Scotia. Truro is not affected by the variable entrance requirements. It is not affected for the repeater provisions because its unemployment rate is lumped in with an area that has high unemployment. I am stating that in terms of South West Nova you can start by lumping them together but the actual payout by the commission is going to be higher one way or the other. Therefore you are not really looking, if you want to put it in the minds of the opposition, at who should be receiving the benefits under this program.

When you have a program such as this you cannot have an application straight across the board without having the commission look at specific areas and define certain regions as requiring a different unemployment rate.

Each time that I have spoken either in committee or in the House I have tried to show that these provisions, the extension of the variable entrance requirements for the 18 months, are harsh as they affect certain areas. There should be a time for which today, if it is 16 weeks a person must earn, that person should know that it will be 16 weeks. In the month of December people cannot be told that it is 19 weeks based on an unemployment insurance rate of September when there is full employment. The effect on individuals is harsh. While we have an unemployment insurance program, as we do today, we cannot have provisions which are not treating all areas of high unemployment in the same way.

For the many reasons about which I have spoken in the past, I must say I am disappointed to see that this bill will pass the House without Parliament having found solutions to the problems which I have said have created inequitable treatment, something which I feel is unwarranted for the next two years.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I just want to add a few words to what the hon. member for South West Nova (Miss Campbell) has already said. I agree with much of what she has had to say regarding this bill. There are inequities inherent in a variable entrance program. She has mentioned that the variable entry with respect to time creates some inherent injustices. I would add, and she may have mentioned this earlier, that there is also some injustice when it is based on geographical districts. Someone who qualifies on one side of the street may be different from someone who qualifies on the other side of the street.

However, I would like to point out that the most inequitable legislation and regulation can be modified and softened if the right kind of personnel are in the unemployment insurance or manpower offices. I am afraid that that kind of human approach to people on unemployment insurance is being lost in our manpower centres today. I come particularly to the point of the regrouping of the offices, that is, the combining of the manpower offices with the UIC offices. I remember a few years ago when we were debating that legislation in this House and the former member for Timiskaming was suggesting that he remembered the times when the UIC and manpower offices were together and you could see the unemployment board, the jobs wanted board, and the jobs available board, all in the one

office. There was an attitude of efficiency in that kind of a system.

Today we have a different technology in society and the way in which the government is bringing those two systems together, I think, is destroying the manpower system. In the unemployment insurance system we have a computer-organized system really. We have a staff in the UIC offices who are systems oriented. They think in terms of systems and computer cards. The people who happen to be on unemployment insurance, the unemployed, are simply cases with which they have to deal in the course of their day's duties. However, the manpower people, particularly in the last years, have been people oriented rather than systems oriented. When you bring together the two offices, the UIC trained people and the manpower trained people, you have a collision course in those offices.

● (1550)

The UIC trained people, who have been systems oriented and computer oriented, are gaining the ascendancy in manpower offices. The irony is that the people who are supposed to be people oriented are computer card oriented. The poor, unfortunate unemployed people coming into the manpower offices expecting to meet a human face are being confronted with people who are systems oriented. The extent to which manpower offices in the last two years have been dehumanized cannot be measured. People coming into those offices have sensed an entirely different shift of attitude toward them in the last two years since the coming together of those two systems. That is the first point.

The second point deals with people working in the manpower offices and what happens to them as the people who have been in the UIC section have gained the ascendancy. The irony is that the people oriented officials in manpower who have had a sensitivity to the unemployed have tried counselling programs and tried to meet the needs of those unemployed, because they are not systems oriented people, are being shunted aside and being dealt with in the most Machiavellian way. The guillotine is falling on them. Think of what happens to these people in terms of their dignity and self-respect.

Let us consider the example of a manpower official who is 55 years old. He has done an incredibly good job in meeting the needs of the unemployed in the area. He has a human face. He has been trying to have a human approach to the unemployed who come to that manpower office. Now comes the golden-haired boy out of the UIC stream. Because he knows the boys at the top in the UIC system, he is the guy who is the frontrunner now. Imagine the 55-year-old man now having to compete for his own job after having been in the job for five, ten, 15, 20 years. Think of what that does to the dignity of that one official.

I can tell hon. members that the morale problem in manpower offices is facing a dimension it has not faced in years. Resignations and transfers are coming in from the manpower section. They are moving out of the system because they cannot stand the dehumanized approach that is being introduced in the manpower centres. Rather than face the continuing ignominous treatment they are getting as the two systems are coming together, they transfer out of the system.

Think of the individual who is now having to compete for his own job, knowing full well that the job description has now been so redirected that the person who is already pre-chosen is going to win, and he is out in the cold. What does that do to him? This is what is happening in the system.

Money, manpower and human spirit are being wasted because of the callous way in which these two systems are being brought together. We have a manpower-unemployment insurance system which is calculated to help the people who are unfortunate now making their own employees victims of the clash that is going on in the combining of those two offices.

As the hon. member for South West Nova indicated, this motion is going to pass this afternoon, but it is going to pass in a very deficient way. It is not meeting the needs of Canadians, and we will live to regret that.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if there are no other members who wish to speak in this debate, we in this party are prepared to consider the debate on third reading concluded. We made it clear at second reading, in the standing committee and at this third reading stage, that we are opposed to the bill. We want to register that opposition by a vote against it. I tell my hon. friend who preceded me, therefore, that the bill will not pass this afternoon, although it may pass when it does come to a vote.

As I say, we would like to have a vote on the motion for third reading. However, there is an understanding among the House leaders that any votes requested today will be deferred to some time next week, on a day to be negotiated. That being the case, if Your Honour will put the question, we will shout "Nay". There are at least five of us here to stand and request a recorded vote. I believe the other House leaders will agree with me that we are prepared to defer that vote to some day next week.

Mr. Baker (Nepean-Carleton): Agreed.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would need only 30 seconds. I do not want to delay the business of the House, and I do not want to prevent the question from being put. I just want to say—and I will be brief—that I fully endorse what the hon. member for South West Nova (Miss Campbell) said and as far as we, the members of the four eastern provinces, are concerned, this is only the top of the first inning in a game of nine innings. We have no intention of quitting our fight for greater equity as we have done in the past with respect to the unemployment insurance program.

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to the agreement made earlier this day, the division stands deferred.

[*Translation*]

The Acting Speaker (Mr. Francis): The President of the Privy Council.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I understood an agreement had been reached but there seems to be some confusion. So I withdraw what I said.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, there had been discussion about what we might do with private members' hour. The hon. member for Hillsborough is here and is anxious to proceed.

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

Order No. 4, the hon. member for Vancouver-Kingsway (Mr. Waddell). Shall the order stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand by unanimous consent. Order No. 6, the hon. member for Regina West (Mr. Benjamin). Shall the order stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand by unanimous consent.

• (1600)

ARCTIC WATERS POLLUTION PREVENTION ACT

MEASURE TO AMEND

Mr. Tom McMillan (Hillsborough) moved that Bill C-207, to amend the Arctic Waters Pollution Prevention Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, this year, 1980, is the centenary of the transfer of the Arctic Islands to Canada by Great Britain. In my view, Parliament could do no better than to mark the occasion by passing Bill C-207, an act to amend the Arctic Waters Pollution Prevention Act.

As sponsor of the bill I shall, in the few minutes available to me, first describe briefly the act the bill is intended to amend. Second, I shall outline the nature of my proposed amendments, and, third, provide something of a rationale for those amendments. Allow me to begin with the Arctic Waters Pollution Prevention Act. This act became law on August 2, 1972. It was introduced in order to assert Canada's sovereignty north of the 60th parallel, or at least to exercise Canada's extra-territorial jurisdiction over that vast region. The main legislative purpose was to control the employment of new technology in the north so as to maximize benefits and prevent disasters arising from that technology. The minister of Indian affairs and northern development at the time, now Minister of Justice (Mr. Chrétien), moved the second reading of the bill. In doing so, he emphasized that Canadians must guard against "a trail of unsightly scars which might spoil the northern landscape for years to come."

The principal thrust of the bill introduced on that date was to prevent pollution of Canada's Arctic waters caused by shipping, land installations and commercial activities, for example, oil drilling carried out on the continental shelf. Among other things it prohibited the deposit of waste in Arctic waters, in the Arctic Islands and on the mainland, except under certain special conditions. It has a bias toward the prevention of pollution. For example, there are provisions giving pollution prevention officers authority not only to suggest or require modifications to works perceived to be a threat to the environment but also to prohibit works so regarded. The act also contemplates pollution arising from accidents and unforeseen situations and provides for civil liability in these circumstances. And it addresses the question of clean-up costs and damages.

I wish, now, to make a few general observations about that legislation in the context of my own bill to amend the act. My first observation is that the act was very hastily prepared. It followed the voyage of the American oil tanker *Manhattan*, which successfully completed its pioneering voyage through the fabled Northwest Passage. That voyage alerted Canada, and the Canadian government in particular, to environmental dangers in the Arctic and to the possibility of Canadian sovereignty being jeopardized. Though the act became law in August of 1972, it had been on the books for some two years before that date. Indeed, it was debated in Parliament as early

as April 16, 1970. Thus the original act, the one I am proposing to amend, effectively predated the establishment of the Department of the Environment by a couple of years, a fact which explains why the department was left out of the enforcement provisions.

The purpose of Bill C-207 is to place the Department of the Environment front and centre, where it belongs, in Arctic waters pollution prevention. The present law gives responsibility for the enforcement of the act to various ministers. More accurately, under section 26, the governor in council is empowered to delegate authority under the act. What happened was this: by an order in council dated May 14, 1971, those powers were delegated to three departments. Responsibility for dealing with pollution caused by shipping was allocated to the Department of Transport; responsibility for control of waste deposits was assigned to the Department of Indian Affairs and Northern Development and also to the Ministry of Energy, Mines and Resources. The basic problem with such a delegation is that too many departments are now actively engaged in pollution control in the north—at least five when other acts are considered. This situation has led to enormous confusion for industry, government and others. It has confused people as to where responsibility lies. By the same token, it has proliferated authority and thereby seriously weakened accountability. The resultant duplication and overlapping of authority and initiative have hampered effective action to control pollution in the Arctic and in the north generally. My bill seeks, first, to streamline administrative responsibility for the control and prevention of pollution in the north.

Second, and even more important, the bill will transfer responsibility for environmental protection in the Arctic from government departments having a vested interest in industrial development to the Department of the Environment, which does not have such an interest. Indeed, the Department of the Environment was established because the government of the day recognized the danger of assigning environmental assessments to "proponents" of development such as the Department of Indian Affairs and Northern Development.

In the Speech from the Throne in 1970, we find the following words:

> There is an inherent conflict of interest . . . between those who are seeking the exploitation of non-renewable resources and those who are charged with the responsibility of protecting the environment.

Yet the Department of the Environment has never been named as an administrator or even as a co-operating agency for the enforcement of the Arctic Waters Pollution Prevention Act. Because of the conflict of interest arising from the same people being responsible for industrial development and pollution protection, we find there is a great deal of rightful dissatisfaction with measures being taken to combat pollution in the Arctic. Is it any wonder that the government's performance to date in protecting the Arctic environment has been so severely criticized by environmental organizations, by scientists, and even by its own officials?

The most obvious example of this neglect and deficiency relates to resource exploration and development by Dome Petroleum Limited and its subsidiary Canadian Marine Drilling Limited—Canmar, as it is known—in the Beaufort Sea region. The government received applications from Dome Petroleum in respect of certain projects in late June, 1979. They concerned facilities at McKinley Bay for an over-wintering harbour, at Tuk harbour for a deep harbour entrance, and at Wise Bay for a fuelling staging area.

● (1610)

I do not want to get into too much detail about the complexities of the environmental procedures followed in such cases. Let me simply summarize by saying that first there is the initial environmental screening to determine whether any project has significant environmental consequences. A second and later procedure is the formal environmental assessment and review, which applies to major projects and which is brought into the picture if the initial screening identifies a significant environmental impact. All this is co-ordinated by the Federal Environmental Assessment Review Office of the Department of the Environment. It is called FEARO. The catch is that the Department of Indian Affairs and Northern Development is the federal government's principal operating arm in the Yukon and Northwest Territories. There is clear evidence that that department has been successful in getting the federal government to approve the applications I have mentioned, and others, too, without assessments as to their environmental consequences.

It has done so against the advice of even its own frontline advisory bodies. I have in mind the Arctic Waters Advisory Committee, AWAC; and the Regional Ocean Dumping Advisory Committee, RODAC. The latter, RODAC, recommended, for example, the deferral of issuance of any ocean-dumping or associated land-use permits for dredging or harbour development at McKinley Bay—I use that as an illustration—"until the initial environmental evaluation report has been filed by the company and assessed by the government". Yet that permit, and others, were issued in late August, within weeks of being applied for without such a procedure having been followed.

The Canadian Arctic Resources Committee, in an excellent study by Dr. William Rees published in *Northern Perspectives*, sums up the situation succinctly, and I quote from that study as follows:

> The over-all conclusion pertaining to EARP is inescapable. Given the "ludicrous" time-frame, skimpy data base, and direct interference from Ottawa, the best efforts of AWAC/RODAC could not satisfy the minimal requirements of a rigorous and effective screening process.

The findings of Dr. Rees are well supported in a confidential report I was able to obtain recently of the government's own Arctic Waters Advisory Committee. That report, which I have in my hand now, is dated February 8, 1980. I do not have time to quote extensively from the report, but let me just highlight a few of its findings and alarming details. Among other things it says:

> Government decision-making processes resulting in approvals for land-based support facilities, and dredging for the approach to Tuk and inside McKinley

Bay, did not meet the minimum standards for adequate environmental review and assessment.

Another quote which has relevance to this point is the following:

It appears that senior officials in Ottawa . . . decided to "avoid any time-consuming and administrative hindrances" in securing the necessary approvals for the proponent (Canmar).

Yet another quotation reads as follows:

Recommendations that were specific and required standards of performance from Canmar or more thorough review which might have caused delays were not implemented or were significantly altered by Ottawa to make them ineffective.

Finally:

The compromise of the environmental review processes has potentially jeopardized not only the environment but the governmental review and decision-making processes as well.

That is very alarming information and those are very alarming findings indeed. The message, clearly, is that the government must be able to manage the total social and physical environment in the Arctic, and it is not doing so in the face of the influx of southern technologies.

The Arctic covers over 40 per cent of the territory of our country. Although vast, it is the most environmentally vulnerable region in all of Canada. Because of the frigid climate and other physical factors, a major oil spill or a well-site blowout—just to cite two examples—would have disastrous consequences for the delicate eco-systems up there and, in particular, for the traditional lifestyle of the native peoples who live in the area. We cannot wait until the damage has been done in the Arctic. The damage may well be irreversible. Environmental screening procedures will have to be tied more closely to the development approval process. I have in mind, especially, the need to streamline the entire process so that, both industry and government can know the rules of the game by which they must operate.

At present there are some 23 pieces of legislation to regulate activities like those of Canmar, to which I have referred. The government needs to examine a process by which a "one-window" approach to legislation and regulation can be achieved. An essential first step in that direction is my own Bill C-207. I urge all hon. members to support it but, more important, I urge not just hon. members but also all other Canadians to consider very seriously the desirability of reconciling the legitimate goal of energy self-sufficiency with environmental goals. I think the two sets of goals—economic goals and energy self-sufficiency on the one hand and environmental concerns on the other—are compatible. They are parallel and can be pursued in tandem.

Bill C-207 is intended to restore the balance between the two sets of goals. We must protect the delicate eco-systems in the Arctic and respect the interests of the native people whom all hon. members keep in mind when they think about environmental matters.

Thank you for your attention, Mr. Speaker, and I urge all hon. members to give every possible favourable consideration to supporting Bill C-207.

Mr. Ian Watson (Châteauguay): Mr. Speaker, I am happy to have this opportunity to comment on Bill C-207 which has been brought before the House by the hon. member for Hillsborough (Mr. McMillan). As chairman of the House of Commons permanent standing committee on Indian affairs and northern development in the late sixties I, along with Paul St. Pierre, a former member of this House from British Columbia, had a fair amount to do with making sure that our committee brought forward recommendations to the government in the form of a report which I hope at least helped to push the government into action back in 1969 to implement the original bill entitled the Arctic Waters Pollution Prevention Act.

I appreciate too the underlining of the confusion which does tend to exist about who does what with regard to protecting the Arctic from various forms of pollution which may be related to industrial activity, exploration activity, or exploitation activity. One subject which comes to mind right now is the question of liquefied natural gas which is the process of liquefying it in the Arctic Islands and then transporting it through fairly dangerous waters either to the Canadian east coast or to Europe. Some Commons committee should have a look at that question. As chairman of the Standing Committee on National Resources and Public Works, I would like to see our committee have a look at it. However, the problem is which committee of the House has the responsibility for it. Is it the committee on Transport, the committee on National Resources and Public Works, the committee on Indian Affairs and Northern Development, or the committee which is responsible for the environment? There are at least four committees which might have a kick at that can, and perhaps it is a matter of who gets there first. In any event, it is a subject matter which I hope one of the committees of the House will consider.

● (1620)

However, I am not convinced, even after listening to the very well developed speech of the hon. member opposite, that what is suggested in his bill would necessarily lead to a more effective use of the manpower available in the various government departments. The question has to be put: is it feasible at this stage to move people out of transport and out of other ministries where they have other roles to a specific and sole role under the proposal of the hon. member for Hillsborough. Having said that, I will make some comments on the bill.

[*Translation*]

The legislation proposes that the powers and responsibilities now vested in the Minister of Indian Affairs and Northern Development (Mr. Munro), the Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Transport (Mr. Pepin) be transferred to the Minister of the Environment (Mr. Roberts). While recognizing the multiple nature of the various functions connected with these collective powers and responsibilities, it is convenient at this point that the matter of powers and responsibilities under the specific provisions of the Arctic Waters Pollution Prevention Act only be covered,

namely those directly concerned with shipping in Arctic waters and now exercised by the Minister of Transport. The passing of the Arctic Waters Pollution Prevention Act was due in part to the recognition by Parliament of recent progress in the exploitation of Arctic resources and their transportation to world markets.

At the time the act was passed, Parliament took a commitment to ensure that shipping in Arctic waters adjacent to land and Canadian Arctic islands would be totally compatible with Canada's responsibility to maintain the special environmental balance of waters, ice covered surfaces and land surfaces of the Canadian Arctic. In addition to the above objectives, certain powers and responsibilities were delegated to the Minister of Transport under the Arctic Waters Pollution Prevention Act. These are:

First, the power under section 5(2) of the act, to require that the master of any ship report the deposit of waste or any condition of distress that could lead to the deposit of waste; second, the power under section 6(2) of the act to direct that action be taken by or on behalf of Her Majesty in right of Canada to repair or remedy any condition that results from a deposit of waste by any ship or to reduce or mitigate any damage to or destruction of life or property that may result from such deposit of waste.

Third, the power under subsection 8(1)(*d*) of the act to require the owner of any ship that navigates within any shipping safety control zone specified by the governor in council and, subject to certain limitations, the owner of the cargo of any such ship, to provide evidence of financial responsibility, in a form satisfactory to the minister and in an amount determined in the manner provided by regulations established under the act; fourth, the power, under subsection 13(1) of the act, to cause the ship or any cargo or other material on board the ship to be destroyed, if necessary, or to be removed if possible to such place and sold in such manner as the minister may direct; fifth, the power, under subsection 14(1), and subject to the provisions of subsection 26(2) of the act, to designate any person as a pollution prevention officer with such powers as are set out in subsections 15(1) and 15(2) of the act. In addition, the Minister of Transport is being required to ensure that all persons designated as pollution prevention officers are authorized to exercise the powers vested in them in the manner specified at the time of their appointment.

[*English*]

In addition to the foregoing powers and authority, and as a direct result of the exigencies thereof, the Minister of Transport has, through the Department of Transport, customarily been responsible for the formulation, administration and enforcement of regulations relating to navigation in shipping safety control zones under section 12 of the Arctic Waters Pollution Prevention Act. These regulations relate to a broad spectrum of activities concerning the design, construction, equipping, manning and operation of ships destined for navigation in the shipping safety control zones of the Arctic and are designed to assure fully the protection of the Arctic environment from the potential effects of both normal ship operations and shipping accidents or collisions.

Among the seven completed regulation projects pursuant to the Arctic Waters Pollution Prevention Act, the major one consists of the Arctic shipping pollution prevention regulations. This set of regulations lays down the specific technical requirements to fulfil the general objectives of the Arctic Waters Pollution Prevention Act and contains particular specifications with respect to the following: detailed construction techniques and materials relating to ice strengthening of ships; operational parameters for ships; construction of machinery and equipment and electronic and other navigational aids and equipment including radio and telecommunications equipment; the nature and construction of propelling power and appliances and fittings for steering and stabilizing; training, competence and certification of ship personnel for navigation in ice-infested waters; with respect to any type of cargo, the maximum quantity thereof allowed to be carried, the method of stowage; the nature, type and quantities of supplies and equipment to be carried for use in repairing or remedying any condition that may result from the deposit of any cargo in Arctic waters; the maps, charts, tide tables and any other documents or publications relating to navigation in the Arctic waters to be carried; details concerning both icebreaker support and ice routing in the Arctic waters as well as ice navigator specifications.

In short, the regulations all pertain to matters concerning the operation of ships as well as safety of life and environment in the Arctic waters.

Two major facets of the Arctic Waters Pollution Prevention Act must be understood if the act is to continue to be an effective instrument.

First, in order to ensure the effective carrying out of the mandate, which is the core of the act, and while there are unquestionably several other concerns involved in the act, such as natural resources and energy development, sociological impact on native peoples and the environment, there is a predominent, specific need—and this is what is important and, I am afraid, what is deficient in the proposal of the hon. member opposite—for highly specialized and particular technical expertise in the fields of naval architecture, marine engineering, navigational science and vessel operation techniques. These fields of expertise have been developed over time and presently reside uniquely within Transport Canada as the result of its broad range of responsibilities in the marine transportation field. In this aspect, I am confident that members of the House would agree that it would be counterproductive to divest Transport Canada of its present mandate or to transfer that mandate to any other single department which does not possess the same over-all capability and expertise.

● (1630)

I also want to submit that while the Department of the Environment has a general mandate with respect to the envi-

ronmental issues, it has not developed and could not develop within an acceptable time-frame the operational and scientific expertise requisite for the regulation of shipping and prevention of operational or accidental shipborne pollution. As for measures subsequent to incidents of pollution involving shipping, while both the Department of the Environment and Transport Canada possess co-ordinated contingency plans for pollution clean-up, Transport Canada has evidenced the propriety of its mandate under the act by its demonstrated capability and experience.

In summary, if prevention of pollution is effectively to remain as a prime objective and concern, Transport Canada's experience and expertise dictate that it is the most appropriate department with which responsibility should rest for that part of the Arctic Waters Pollution Prevention Act.

The second major facet of the Arctic Waters Pollution Prevention Act which must be understood is that, in so far as it relates to ships and shipping, the provisions of the act relating to pollution prevention and safety of life at sea closely parallel those under the Canada Shipping Act. In fact this is so much so that regulations under the Arctic Waters Pollution Prevention Act refer directly to the Canada Shipping Act and regulations thereunder.

While a nominal legal distinction exists between the two acts, there is in practical terms a very close familial link between them in their origins, the areas they cover, and in the expertise required to administer them, with the result that the two acts are inextricably intertwined. It would not therefore be advisable to transfer responsibility for the Arctic Waters Pollution Prevention Act from Transport Canada because such an artificial administrative separation could only lead to undesirable inefficiences, profligacy of resources, and possibly inconsistency of policy.

In conclusion, it is submitted that based on all the foregoing, no change in the administrative responsibility for the Arctic Waters Pollution Prevention Act is warranted and, therefore, the status quo should be maintained with Transport Canada continuing in its responsibilities vis-à-vis the act and with the Minister of Transport continuing in his delegated function vis-à-vis the act.

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I will speak very briefly on this subject. I have to agree with the last speaker when it comes to the matter of transferring the jurisdiction under this act from where it resides at the present with the Minister of Transport (Mr. Pepin) to the Minister of the Environment (Mr. Roberts). It seems only natural to me that all aspects of shipping should come under the jurisdiction of the Minister of Transport.

Most of the technical matters with which we are dealing when discussing Arctic pollution prevention deal with things such as the design of the hull of the vessels, the methods of propelling those vessels, the quantities of the various commodities which the vessels carry, the manner in which the cargo is stored, and the types of navigational equipment which must be carried by those vessels when operating in those waters. Those, to me, would seem to be logical areas which should come under the Minister of Transport.

If we were to transfer jurisdiction for this one area to a different ministry, then I would think that it would require much duplication. We would have vessels being inspected by people from the coastguard and people from environment. Surely this is something which we would want to avoid. It is necessary for us to pass regulations to enable inspections to take place, and that is only right and proper, but at the same time we should make sure that those people who undergo the inspections are subjected to as little duplication as possible. They should be able to get away with one inspection, instead of two inspections by two different people who would be looking at very much the same thing.

This subject is important, because if one looks to the future, to the next ten years to 20 years, the volume of shipping in the Arctic will undoubtedly increase. We can look forward to a day when there will be commercial usage of the Northwest Passage, and one of these days it will be a world major waterway. We can look forward to the development of liquefied gas tankers and oil tankers operating in the Arctic. There are evident dangers involved in this situation, so it is something to which we should address our minds.

I believe that there is a need for better navigational aids in the Arctic. I am told that the electronic navigational aids presently in use are probably not as good as those in use on the east coast and the west coast. These aids should be upgraded, but this will cost money and take time. It is something into which the Government of Canada should be looking.

One of the areas which the Department of the Environment should be looking at in this situation is in fields such as ice reconnaissance and meteorology. If we want to put the ships through the easiest, least risky route, then we need good systems of ice reconnaissance, and to forecast weather conditions in that part of Canada.

So far we have avoided any major oil spills or pollution in the Arctic, and I hope that this will continue. I would like to compliment the public servants who are involved in inspection and regulation in the Arctic. I think by and large they have done a pretty good job and that they are continuing to do so. Most of the marine and land operators in the Arctic take a pretty responsible position because they do not want any major environmental mishaps either. Sometimes we are overly critical of these people who act on our behalf with respect to inspection in this part of the country.

Of course, such work is not completely risk free. If we want to develop oil and gas resources in the north, there will always be some risk involved. One of our goals should be to weigh those risks. We must be prepared to take some risks while at the same time we must do our best to make sure that major mishaps do not occur. Although the present system could be modified somewhat, it is a good system of co-ordinating committees that look after the interests of various government departments that have the responsibility in that area.

Those are my few comments on this bill. I think, by and large, the Arctic Waters Pollution Prevention Act is being administered reasonably well but we must continue to monitor it as more and more shipping goes through Arctic waters.

● (1640)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the amendment to the Arctic Waters Pollution Prevention Act, as proposed by Bill C-207, does not seem to correspond to the nature and objectives of the act. The suggested transfer of the powers of the Minister of Indian Affairs and Northern Development (Mr. Munro) and the Minister of Transport (Mr. Pepin) to the Minister of the Environment (Mr. Roberts) is doubtless founded on an erroneous interpretation of the act considered solely from the point of view of pollution prevention.

In fact, the Arctic Waters Pollution Prevention Act was conceived as the perfect tool for protecting and managing our resources. Administering the whole therefore requires a multidisciplinary approach. The act, as formulated, aims at serving the exceptional needs of the north. On April 16, 1970, the hon. Jean Chrétien, then minister of Indian affairs and northern development, described this act to the House as a legitimate and necessary extension offshore of the jurisdiction of Canada over an area which concerns Canada only. In his opinion the act should continue to reflect the past policies of the successive governments of Canada to protect Canadian interests north of the 60th parallel, for the natives living there, for the untapped resources we want to develop there for the benefit of all Canadians, and for the natural quality of the land and water that cover more than 40 per cent of the Canadian territory. In expounding this theme, Mr. Chrétien stressed that the effect of the Arctic Waters Pollution Prevention Act would be to have people understand that the northwest passage should be open to ships from all countries, providing on the other hand the necessary conditions to protect the fragile environmental balance of the Canadian Arctic and to set out clearly for all countries the requirements under which Canada, as a coastal state and because of its exceptional responsibilities to safeguard the northern environment, would welcome foreign ships in its waters.

In passing the Arctic Waters Pollution Prevention Act, Parliament supported the point of view that that act is not only a legislative instrument for the prevention of water pollution but also an instrument of resource management to help in the pursuit of a complex set of objectives, including national security and sovereignty as well as economic expansion—the answer to the social and political aspirations of the residents of the north, as well as the development of the transportation technology to support those objectives. Such a major thrust requires, of course, a broad variety of expertise and experience in the responsible agencies. The Minister of Indian Affairs and Northern Development must first enforce the sections of the Arctic Waters Pollution Prevention Act not dealing with navigation since it has long been the responsibility of the department to meet the particular and varied needs of northern Canada as a whole and he had already put in place the necessary administrative and judicial provisions. Parliament recognized the direct relationship between the act and all maritime transportation in the north by appointing the Minister of Transport to share the responsibilities of implementing the act with the Minister of Indian Affairs and Northern Development.

In the decade just ended, since the passage of the Arctic Waters Pollution Prevention Act, we have seen many changes and considerable progress. One of the more striking examples is, of course, the huge effort by industry, supported and regulated by the government of Canada, to explore and develop the vast hydrocarbon potential in the Arctic waters; the discoveries in the Beaufort Sea and in the waters which surround the Arctic Islands, as well as very promising indications in the offshore areas of eastern Arctic have shown the importance of these resources for the future of Canada. The development of the Nanisivik mine on Baffin Island has given us an idea of the potential for mining development in the north.

These developments and potential for future economic development in both Canadian and American jurisdictions have brought about increasing pressures for the creation of a more effective and economically viable transportation infrastructure to get the oil, natural gas and minerals of these new facilities to the market. The Canadian Arctic waters have therefore acquired a significant importance for a variety of new interests, and this increased importance has brought about a greater awareness of pollution due to accidents. Regulated prevention of such accidents has therefore become more critical than when the Arctic Waters Pollution Prevention Act was first passed.

On the other hand, the aspirations and political and social requirements of northern residents have become more complex and more important. Through this legislation, the minister is able both to manage the basic resources and to reconcile this objective with other orientations such as independent energy sources and the development of natural resources. The Minister of Indian Affairs and Northern Development and his officials are now negotiating a variety of claims made by groups which represent the native people of Canada. Several of these claims concern the control of the territories now governed and regulated under the Arctic Waters Pollution Prevention Act. For instance, the Inuit have always based the whole of their society and economy on the harvesting of wild life resources which depend directly or indirectly on the Arctic waters, and any regulation concerning these resources must

therefore be considered relevant to the final legal settlement of the claims presented by the Inuit to the government.

Another important goal which is being disputed now in northern Canada is the tendency towards decentralization of powers from the federal government to the governments of the territories. The Department of Indian Affairs and Northern Development has been encouraging for a long time the development of both governments of the territories, directing the process from the start when the north was completely dependent on Ottawa, through the establishment of legislatures in both capitals of the territories, namely Yellowknife and Whitehorse, and through the decentralization of many ministerial responsibilities in favour of the areas to which they have applied up to date and it is now considering actively other steps towards the ultimate goal of establishing responsible governments north of the 60th parallel, as soon as it is feasible, while protecting the rights of all residents of the north. While considering native claims and the decentralization of legislative powers which are crucial and complex matters, we should endeavour very cautiously not to upset the present balance. We should certainly have a specific approach to that matter of power-sharing between the federal departments which are active in the north, in order to avoid complicating matters which are already very complex.

The Minister of Indian Affairs and Northern Development who is now responsible for a wide variety of social, economic and legal realities in the north, including the management and the development of resources and for negotiating any change in those realities, is heading the department which is best able to assume that role, because of the scope and variety of his experience and of his competence in dealing with problems related to matters of a very complex nature which are sometimes interrelated and conflicting. In his capacity as minister currently responsible for the government of northern Canada, the Minister of Indian Affairs and Northern Development is also the most able to establish and enforce regulations and standards in those areas.

● (1650)

During the ten years since the enactment of the legislation, the Minister of Indian Affairs and Northern Development has viewed the act as a tool for managing the tremendous resources contained in Arctic waters and the biological, physical and human resources that depend upon them. In co-operation with the Department of Transport and the Department of Energy, Mines and Resources, which share responsibility for enforcing the act and attendant regulations, the increasing uses of resources have been carefully managed as an interconnected whole. By definition, Arctic waters pollution prevention is a basic objective of that managing effort.

However, the sound managing of resources with a view to obtaining the maximum possible uses, both immediate and long term, without endangering the rights and aspirations of northern residents, is the over-all objective, of which pollution prevention is but an aspect. There is no doubt, Mr. Speaker, that amendments to the act could be suggested in light of the experience gained over a decade of careful and highly successful management. However, removing the responsibility for implementing the act from groups that developed it does not appear to be an appropriate change.

The skills offered by the Department of the Environment in the various aspects connected with the management and protection of the environment are unchallenged, and the assistance and advice of its officials, whose reputation is well recognized, is always invaluable. However, the Department of Indian Affairs and Northern Development also has these skills, acquired in recognizing and meeting the unique needs for managing and protecting the exceptional Arctic environment. Those specialized skills in the disciplines connected with the environment combine with other pertinent disciplines to enable the Department of Indian Affairs and Northern Development to face complex multidisciplinary problems. The Arctic Waters Pollution Prevention Act indeed covers such a question and should therefore continue under the Minister of Indian Affairs and Northern Development, as originally provided for. I am certain, Mr. Speaker, that the three members representing our great Canadian north, who already are familiar with the problem, the complexity of relations between the various groups, the people and the central government, would wish to deal with people already aware of and in the north, rather then newcomers who would have to start from scratch.

[*English*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I have consulted my colleagues and I understand there is agreement that private members' hour be considered as terminated at this point and that we revert to statements by ministers in a few moments, if necessary, after the ruling by Madam Speaker.

If we return to statements by ministers, I will have something to say first before the minister makes his statement.

Mr. Knowles: You should have spoken to him this morning.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Pinard: Mr. Speaker, I was told that Madam Speaker is ready to render her decision. However, if she is not ready, we will go on with private members' hour. I was told just a few moments ago that she was ready.

Mr. Knowles: Mr. Speaker, I think the confusion is created by the reference made to reverting to statements by ministers. I think if we revert to routine proceedings, it will fill the bill.

Mr. Deputy Speaker: Is it agreed that we revert to routine proceedings?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

MR. ANDRE—IMPOSITION OF LEVY UNDER PETROLEUM ADMINISTRATION ACT

Madam Speaker: I will now rule on the point of order that was raised earlier by the hon. member for Calgary Centre (Mr. Andre). The hon. member raised a point of order to say that the procedure followed by the Minister of Energy, Mines and Resources (Mr. Lalonde) was not the correct procedure.

The hon. member says that the ways and means motion proposes to amend the Petroleum Administration Act which was not initiated by a ways and means motion. The hon. member is probably aware that the parent act was in fact initiated by both a ways and means motion and the notice of motion for introduction with an accompanying royal recommendation. But he is, of course, correct when he says that the provision of the parent act which is now to be amended was not covered in the original ways and means motion.

There has been considerable argument about the legality of the particular procedures which the minister is choosing in the present case, but the House will know that the Chair can never pronounce upon issues of a legal nature, it can rule only on questions of order. Therefore I must return to the precise point of order involved in this issue, that is to say, has the minister acted within the ambit of the standing order in tabling a notice of ways and means motion. The substance of that motion, or the effect of that notice, can be of no concern to the Chair. Hon. members will be aware that our records will show that there are many ways and means motions which were never adopted.

I therefore must find that the procedures followed so far have been in order. However, this does not preclude the Chair from entertaining further points of order in connection with the matter at further stages in the process.

I want to close by thanking hon. members for their careful attention and assistance to the Chair in this difficult point of procedure.

The House had agreed that we would revert to statements by ministers after this ruling. It is the pleasure of the House to revert now to statements by ministers?

Some hon. Members: Agreed.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: I rise on a point of order, Madam Speaker.

Madam Speaker: The President of the Privy Council on a point of order.

Price of Petroleum

Mr. Pinard: Madam Speaker, I would seek agreement to revert to statements by ministers. Of course under the standing orders you have the required discretion to limit the proceedings, taking into consideration the interventions made up to now. As for us, we fully agree that the House should have the opportunity to ask questions of the minister. We hope that after some discussions with my colleagues, the proceedings will not be extended past six o'clock and adjourned even before if possible.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to thank the hon. member for the discussions that we had. It is our hope that that is not so either. It is difficult to predict, as my colleague knows, because we have not yet heard the minister's statement. However, I want to assure you, Madam Speaker, that there will be nothing to protract any proceedings inordinately that may follow out of this statement.

Mr. Knowles: Madam Speaker, my contribution to this not being prolonged is simply to say that we agree.

[*Translation*]

Madam Speaker: In any event I would have to obtain the unanimous consent of the House in a few minutes not to see the clock. I will hear the minister but in a few minutes I will have to interrupt him for that reason.

The Minister of Energy, Mines and Resources (Mr. Lalonde).

Mr. Lalonde: Madam Speaker, to make things easier for you, perhaps I could point out that it is already five o'clock. Perhaps you might seek the unanimous consent of the House so that we can proceed?

Madam Speaker: Does the House agree that the Chair should not see the clock?

Some hon. Members: Agreed.

Madam Speaker: I have the unanimous consent of the House. The Minister of Energy, Mines and Resources.

* * *

[*English*]

STATEMENT BY MINISTER

EFFECT OF WAYS AND MEANS MOTION ON PRICE OF PETROLEUM

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am glad the House agreed that we can take some additional time to debate and discuss this notice of ways and means motion to amend the Petroleum Administration Act. This should give time to the House to examine all the aspects of the particular motion and its implications.

The motion itself reads:

That it is expedient to amend the Petroleum Administration Act to provide that, effective midnight, July 11, 1980, the charge imposed, levied and collected on

(a) each barrel of domestic petroleum received for processing or consumption in Canada, and

(b) each barrel of foreign petroleum or petroleum product imported into Canada for processing, consumption, sale or other use in Canada

(c) in any month shall be in such amount, not exceeding one dollar and seventy-five cents, as may be prescribed in a tariff of charges for that month made by order of the governor in council.

As the hon. member for Calgary Centre (Mr. Andre) noted before in his point of order, this amends a similar provision in the Petroleum Administration Act which contains similar features.

Pursuant to that ways and means motion, I have today sent a notice to all refiners in the oil industry in general advising the industry of the tabling of this ways and means motion. According to parliamentary tradition and precedence, I am asking the payers of the levy, essentially the refiners, to remit on this basis pending parliamentary approval.

● (1700)

As was usual in the past when such increases have taken place, if approval is not obtained, we have a ways and means motion asking the House for increases in payments by the public or parts of the public. If approval is not obtained by the government from Parliament, the excess money collected will be refunded.

With regard to the increase in the levy, as I indicated this morning when we were debating the question of privilege and we had the opportunity of going a little outside the strict ambit of the question of privilege, the impact is to increase from $1, which was set at the ceiling in the Petroleum Administration Act, to $1.75 the charge on every barrel of petroleum, domestic or foreign, that is processed in Canada.

The charge itself is put in the amendment, as in the act, as a maximum. It is set by order in council on a monthly basis according to the necessity of providing the necessary funds to cover the petroleum compensation revolving fund about which I would like to say a word. The petroleum compensation revolving fund represents a charge on the consolidated revenue fund. As I indicated in the debate on the question of privilege, it is used to pay the additional price that is paid to the two companies in Canada, Syncrude and Suncor, which exploit tar sands and produce oil from the tar sands. At the present time that charge is the difference between roughly $37 and $14.75.

As hon. members know, those companies are now producing at a record rate, for which we are very happy. We hope this type of production will continue in the future. After having met some difficulties in production in the latter part of last year and the beginning of this year, Syncrude is now announcing record production and the Suncor plant is producing at full capacity.

The fund at the present time is in the red by roughly $75 million. In order for the fund to break even at the end of this fiscal year, it will be necessary to add this additional charge of 75 cents a barrel. It is expected that at the end of the fiscal year the fund will have broken even. It is then a matter for the government to adjust the levy according to the needs for the fund in order to ensure that the revolving fund is not unduly in deficit.

As hon. members know, this process has been in operation since at least July, 1978. Various adjustments have been made to it since. Adjustments were made in July, 1978, January 1, August 30 and November 1, 1979, and April 1, 1980. In the space of the last two years, there have been five different adjustments to this levy rate in order to collect the funds necessary from the general consumption of petroleum in order to raise the money necessary to compensate what is owed to Syncrude and Suncor.

Certain questions were raised in the debate this morning about the impact on the provinces and the oil industry. I want it to be quite clear that by this particular measure there is no impact on the industry or on provincial revenue or expenditures as far as that is concerned. There is an agreement at the present time with the oil sands companies to the effect that the government is paying the international price for their production. A couple of months ago, I served a notice of intention to invoke a *force majeure* clause under the agreement with Syncrude and to invoke a general clause for review of the fees with Suncor. I also indicated at that time that while our negotiations were being carried on with the producing provinces, the tar sands companies would continue to receive the international price. This has been going on since notice was given. It will continue until there is a resolution of the present discussions that are taking place.

One thing is quite clear. The companies under any account or regime will be receiving appreciably more than what is being paid for conventional oil even if they were not receiving the international price. Therefore, there will continue to be a need for some form of revenue collection by the federal government in order to raise the funds necessary to pay to those companies the difference between whatever price will be arrived at for conventional oil, and what price will have to be paid for tar sands oil.

As far as the provinces are concerned, in this particular case the province of Alberta, whatever royalty is owed is owed under the terms of the agreement, whether the federal government has the money in the fund for it or not. If it does not have it in the revolving fund, it has to get it from the Consolidated Revenue Fund and pay it out of general taxpayers' money.

A point of order was raised this afternoon by the hon. member for Calgary South about payments to the government of Alberta. I have checked and it is true that up until now Syncrude has not paid royalties to the government of Alberta. The accounting is not completed but it is expected that this year Syncrude will be in a position to start paying royalties to the government of Alberta.

With regard to the second plant, Suncor, that plant pays to the government of Alberta 13 per cent of its revenues. I am told this is roughly equivalent to about $5 a barrel on its

production on the basis of a world price of $37. I am sorry if there was some misunderstanding on each side in this respect, but at the present time some royalties are being paid to the government of Alberta out of the tar sands production. It is out of the Suncor plant, not the Syncrude plant, but it is expected that it will come out of the Syncrude plant during the course of this year.

As this is purely a levy, tax or charge that goes into the revolving fund, I want to point out that no impact on the market should be felt because it does not change the position of any company at the present time. Syncrude and Suncor will continue to receive exactly what they were receiving this morning and yesterday. There has been no change at all by this ways and means motion in the financial position of any particular firm in the oil industry.

I can understand why some misunderstanding might have arisen this morning out of a bare reading of the ways and means motion. Some concern was expressed about the impact of this measure being felt more in the east than the west or more in the west than the east. I want again to reassure my friends that this measure has no differential regional impact. It results in an increase of about half a cent per litre in oil products, wherever they are in Canada. There is no difference at all in terms of its regional distribution. The charges are exactly the same everywhere, and as I indicated it means that the revolving fund, the fund for the tar sands production, is going to be put back in a self-financing position rather than being in the red and even at the risk of exceeding the maximum of about $200 million which I believe has been provided for under the revolving fund.

● (1710)

There was a danger that if the House had adjourned this fund might have exceeded the limits of its borrowing, or, if you wish, its deficit. This is the reason it was felt that in case the House were to adjourn in the next couple of weeks or couple of months—before September, let us say—steps should be taken to ensure that the fund would not find itself in a position where it would have exceeded its authority in terms of maximum borrowing.

I do not wish to take too much of the time of the House since I understand the leaders of the various parties in the House have agreed that we should try not to sit beyond six o'clock. I shall be happy to entertain questions after various members have spoken. I am glad to see that we are recovering the time that may have been lost in the debate on the question of privilege and I apologize if there has been any misunderstanding arising out of the bare reading of this particular motion. I regret any misunderstanding which may have occurred.

Some hon. Members: Hear, hear!

Mr. Harvie Andre (Calgary Centre): Madam Speaker, may I thank the minister for his statement and wonder what kind of day this might have been had it started differently. However, although acknowledging that the minister has, some five or six hours too late, come around to making this statement, I should point out it does not really excuse the procedure and approach which have been used, unless, of course, it leads to the change of behaviour which we all hope for. I think this should be re-emphasized because it really goes to the heart of what this institution is about and to the heart of how the public views Parliament and the respect in which it is held.

The procedure was abysmal. What has happened, apparently, is the imposition of a tax in excess of $500 million. It is a very significant tax with a significant and important impact on the economy of Canada. Imagine the outrage if the Minister of Finance (Mr. MacEachen) were to introduce an income tax change of that magnitude using this kind of procedure, or a sales tax change, or an excise tax change, or any kind of change involving in excess of $500 million to be taken out of the pockets of consumers in one way or another and redistributed by government in accordance with the law or its own will. That is a very significant step.

There are long traditions—hundreds of years of tradition—setting out the proper way to deal with that kind of imposition by the Crown. Proper procedures were simply not followed today, in spite of what the legal, fine print might say. If, in fact, that is to be the procedure and approach—to do whatever the fine print allows you to do—then we are in for a very chaotic two or three years within which not much will be accomplished.

We as a party—and I believe the NDP too, if my memory serves me right—agreed with the establishment of a tax in the first instance. There is no question that back in 1974, when the Syncrude matter first came up, it was a tax. It was not a levy. A tax was imposed to subsidize the Syncrude plant to give it the difference between the domestic and the world price. That was a tax which had a ways and means motion attached to it.

Subsequently the government and the then minister of energy, the Hon. Alastair Gillespie, decided, for whatever reasons—perhaps because the government wished to create the impression it was holding down expenditures—to take this significant government expenditure out of the consolidated revenue fund and put it aside into a revolving fund. It no longer showed up in the blue book of estimates and no longer showed up in the monthly accounts. It no longer automatically increased government spending, which was the reality of the situation, and this enabled the minister and President of the Treasury Board (Mr. Johnston) and others to claim that in a period of restraint they are holding down expenditures. That was the rationale for establishing this revolving fund outside the Consolidated Revenue Fund and defining it as a levy as opposed to a tax.

I am very clear about this. I can refer the hon. member to discussions in committee where, whenever I attempted to use the word "tax", the deputy minister, then Mr. Gordon MacNabb, corrected me. He would say: "No, no, no, it is not a tax, it is a levy." We agreed to that procedure. We agreed because there was a limit of a dollar which seemed reasonable. But it has been raised, and raised very significantly. It has been raised to $1.75. The impact of that is significant. It warrants

debate; it warrants discussion; it warrants a procedure quite different from the one we saw today.

The impact at the pump? Two and a half cents. That is no big deal, but the impact at the furnace of two and a half cents is a big deal for a lot of people. The impact on Nova Scotia and Prince Edward Island which use oil to generate electricity is a big deal. There would be a significant impact there. The people concerned deserve to be notified by their federal government. They deserve an explanation, in advance, from their federal government.

There is no reason for this kind of covert approach. As a matter of courtesy the province of Alberta deserved to be notified. No one was notified, certainly no one in this House, certainly not the public. Suddenly, at twelve o'clock on a Friday, there is a new tax, a new procedure is implemented, a new levy, a new impact. It is very significant. We deserved to be notified.

Madam Speaker, I also have to draw attention to the real tragedy with respect to energy in this country. It is recognized that the energy situation is mixed in with the constitutional situation where there is a jurisdictional problem. There are tremendous problems in terms of price, constitutional authority and revenue distribution around the country. They require tact and diplomacy in order to be resolved. In a couple of weeks the Prime Minister (Mr. Trudeau) and the Premier of Alberta will be sitting down hopefully to resolve the issue. This will require good will from the government opposite. It will also require good will from the producing provinces. And good will is not engendered by the kind of cheap shots one finds in this document. For example, talking about the levy and the funds therefrom, the press release says:

It contributes to payment of Alberta and other royalties, capital and operating costs.

Now, that is not technically incorrect. But, Madam Speaker, the minister, if he were so inclined, might also have said that it contributes to the profits of Petro-Canada as an owner of Syncrude. It contributes to the salaries of people who are employed in that plant. It contributes to the economic benefit of the people in that part of the country. He could have said all those things. But, no, he tried, and in his remarks again he tried, to leave the implication that somehow this is a levy being imposed upon the whole country which the government is forced into and which is going into the already bulging coffers of the province of Alberta.

● (1720)

That is simply not true, and that kind of cheap shot, which he never ceases to grab an opportunity to use, is hardly going to make it easier for the Prime Minister and the premier to arrive at an agreement, which I assume everybody in this House and everybody in the country wants. I assume nobody wants a donnybrook, a fight or a constitutional crisis, but that is what is going to happen if this approach is continued to be used and if those kinds of cheap shots are continued.

I wonder what the governments of Nova Scotia and Prince Edward Island are thinking about now when they are faced with electricity rates going up significantly as a result of this levy. Do hon. members not think there might have been a little goodwill engendered had they been warned, telephoned or told about this? It is almost a motherhood statement to say one should consult and advise and let one's peers or contemporaries who are affected know, yet that fundamental and simple thought does not seem to occur to hon. members opposite.

I was curious about the language used by the minister in his opening remarks. He said that the words of the motion are similar to those which are in the Petroleum Administration Act. They are identical. Are we now to see a different procedure again from that which we have discussed and argued? The language there seemed to imply that the government is attempting to develop some new alternative. If that is the case, I hope the government will have the good sense and common courtesy to discuss it with those on this side of the House who have responsibilities in that area, and perhaps we could get on with what the public out there expects us to do, and that is to debate and discuss rationally and act in a way which is to the benefit of the country. We should not carry on with this ridiculous procedure of bringing in new government collections through this back door procedure. These collections will have a horrendous impact.

Before closing I have to say again that another 2.5 cents a gallon has come along. There have been increases; we are going to be getting more, presumably. That underlines the absolute necessity of a coherent energy policy from this government soon, and a budget soon. Because it cannot be said often enough or loudly enough that we recognized what was happening and put in the December 11 budget provisions to help those who are affected and to help those in Nova Scotia and Prince Edward Island who generate their electricity from petroleum, those on low incomes and those who use heating oil to heat their homes. None of that has been forthcoming from the other side of the House. All we have had is two and a half cents here and two and a half cents there.

Mr. McDermid: Sneaky by degree.

Mr. Andre: Sneaky by degree, and the over-all impact of that is far more horrendous to the consumers of Canada than would have been the case had the December 11 budget been adopted. It is time, for the sake of Canada, to put Canada ahead of pride. I know the government will have to do some flip-flops in order to do the right thing for Canada, but it should take the embarrassment and do the flip-flops and the right things for Canada. The country needs it.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, the hon. member for Calgary Centre (Mr. Andre), who just spoke, says that the minister should put Canada ahead of pride. I would like to see him put Canada ahead of private profit. To be frank, whether this is a tax or a levy does not really concern me. What it means is one-half cent per litre or two and a half cents per gallon, as the hon. member for Calgary Centre said. It means taking it out of the average person's pocket and putting into the pockets of oil companies.

That is what it means. It means transfering $500 million away from the average person to the oil companies.

Look at who owns what we are talking about. It is Syncrude. In Larry Pratt's book "The Tar Sands" he sets out the ownership of Syncrude. That "poor" company, Imperial Oil, owns 31.25 per cent. Gulf, that other "Canadian" company, owns 16.75 per cent. Cities Service, that other "small" outfit, owns 22 per cent. Ottawa took 15 per cent, Alberta took 10 per cent and Ontario took 5 per cent. At page 176 of his book Pratt says that the three companies have 70 per cent ownership and, interestingly, Imperial Oil has just enough equity to out-vote the three governments combined. It was a pretty rotten deal, and we are paying for it out of the taxpayers' money.

This is what this debate is really about today. As I understand the minister, the price of oil in Canada is $14.75 a barrel. The international price—and the minister can correct me if I am wrong—is upwards of $38 a barrel. However, the companies in this deal, Syncrude and Suncor, were to get world prices. That was the deal negotiated for them.

The minister brought in the *force majeure* clause, but according to his words today they are still getting somewhere around $37 a barrel. Who is paying the difference between $14.75 a barrel and $37 a barrel? The Canadian taxpayer is paying it. Tonight at midnight he or she is going to pay an extra $500 million or so, an extra half cent a litre or an extra two and a half cents per gallon.

I hate to say "We told you so". One does not like people who say "We told you so", but Tommy Douglas when he was the energy critic—

An hon. Member: The Husky Oil director?

Mr. Waddell: In 1974 Tommy Douglas said that the government should not go into this deal, that it would suffer for it and that prices would go way up; and that is what is happening.

Mr. Baker (Nepean-Carleton): Tommy Douglas is well oiled.

Mr. Waddell: In 1973 the Department of Energy, Mines and Resources concluded that 30 billion barrels of tar sands oil could be extracted—hon. members should listen to these figures—at $6 a barrel, that the cost would be $8.80 by 1981 and that the yield in after-tax rate of return would be 20 per cent to the operators at $6 a barrel. The C. D. Howe Institute in another report in 1974 urged that Canadian prices rise to this level over the next four or five years to make the tar sands viable. That was $6 a barrel. The companies sponsored their research, and they said that that was not true. Alsands in its application said that the tar sands would really require $18 to $20 a barrel. Imperial Oil in Cold Lake in its application said $14.50 a barrel was required. That would produce profits.

These companies are not in the habit of understating their case. The Foster Research group in 1975 was doing a study for the province of Alberta and concluded that Syncrude would be highly profitable at the figure of $13.75 a barrel. We are paying them $37 a barrel. What a subsidy! Who are we subsidizing? We are not subsidizing the average person who is in trouble or who needs subsidies from this government. The profit of Suncor in 1979 showed a 187 per cent increase.

Mr. McDermid: Over what?

Mr. Waddell: An increase in substantial profits. I will get the figure for the hon. member. I do not have it here, but I will provide the figure to him. Let hon. members look and let them deny that profits are substantial. The report of last year's profits shows the profits of the top 500 companies in the country. Let us look at where all the money is going. It is going to private resource companies. It is going to multinational companies. Let hon. members read the figures and they will see. We are about to give them more out of the taxpayers' pocket. Shell, for example, in 1979 made $243 million in profit.

● (1730)

An hon. Member: From where?

Mr. Waddell: Here. They had a profit of $243 million, and they did not pay taxes here in 1978.

Mr. Nystrom: Disgusting.

Mr. Waddell: Syncrude was making money for its backers long before production started, due to tax write-offs. So what the minister is announcing today is more subsidies for the oil companies.

The four largest oil companies in Canada—my friend wanted some figures so I will give them to him—recorded profits of $1.4 billion in 1979. That was up 55 per cent from 1978. In the first quarter of 1980, the industry's profit rose another 83 per cent.

An hon. Member: How much capital did they expend to get that profit?

Mr. Waddell: What we are doing is subsidizing. My friends to the right are great defenders of the oil companies. The whole point of this matter is that we went into a rotten deal with Syncrude. I invite members to read Pratt's book. It shows that it was a rotten deal for Canada and we are stuck with it.

Mr. Lalonde: We are not.

Mr. Waddell: I hope we are not. We would support the minister if he changed it. I know the minister has tried, and we support that, to make future tar sands projects be run by Canadians in partnership with Petro-Can and Alberta Gas Trunk. That is what we should have done years ago. Nevertheless, the fact remains that we are still dealing with an increase in the tax, whether you call it a levy or a tax, and it will come into effect at midnight tonight when all Canadians who are buying gas or consuming fuel oil will take 2.5 cents out of their pockets and put it again, largely, into the pockets of these oil

companies which are already making record profits. It is a scandal, Madam Speaker.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I will be very brief. I have a couple of questions to ask the minister so that I can understand a little more fully the implications of the application of this particular ways and means motion and also what we can expect in the future. I think it is relevant to the discussion.

The minister, in the course of his remarks on statements on motions has said that he has given notice of the invoking of the *force majeure* clause with respect to international prices. He has pointed out as well that he is continuing to pay international prices while negotiations continue with respect to an appropriate or unique price which I understand he has in mind. May I pursue this matter with the minister because I think it is important. I do not expect him to tell me what the negotiations are at present, but it is important for us as parliamentarians and the people of Canada as well as the industry itself to understand what is involved in the principles according to which the minister will operate.

I understand the minister, in the course of some of his remarks, has referred to the fact that he wants to have the price, which is based upon the operating costs, the capital investment, based upon a realistic price which will allow a profit to be made on investments by the participants in the synthetic oil investments. Perhaps the minister could make a note of these questions and answer them. I should also like to ask him whether or not, as a matter of principle, he considers that a certain percentage of profit is appropriate for the participants in the tar sands investments or projects. If that is the basis upon which he is operating, could he give us some idea as to what a reasonable amount of return on the investment might be in his estimation and whether or not, in the course of his negotiations and as part of his investigation of the whole matter, he will arrange, either through legislation or directly, to have the operations of the synthetic oil plants or projects investigated by the new petroleum price auditing agency which was announced in the Speech from the Throne? Will that new agency play a part in determining what a realistic or reasonable international price might be? Could the minister answer those questions now, following which I might have another supplementary question?

Mr. Lalonde: Madam Speaker, I am available to answer the question now, if the hon. member prefers it. Before answering, however, I should like to make a comment about a point raised by the hon. member for Calgary Centre (Mr. Andre). Concerning the statement which was made about the fact that the levy is used to pay for the operating costs, royalties, etc., I do not see why the hon. member should be so sensitive to the fact that the royalties are going to the government of Alberta. There is nothing scandalous about this. It is part of the agreement, as I have said. I have indicated the exact amount of money that is being paid. I do not see why he should be so sensitive when this is mentioned among other facts.

Mr. Andre: Madam Speaker, I rise on a point of order. The minister just mentioned something about extra sensitivity. I wonder if he could inform me right now whether it is his view that royalties would not be paid to Alberta if it were not for this. In other words, is he trying to tell the House that it is this particular change in the levy which allows Alberta royalties to be paid and without which royalties would not be paid to Alberta? Is that the point he is trying to make, because if it is it is totally inaccurate.

Mr. Lalonde: The revolving fund is used to pay money, as I indicated in my opening statement, to indemnify the tar sands companies for their production. It is used to pay them the high international price out of which, in the case of Suncor at present and in the case of Syncrude most likely this year, some of it will go into royalties. The money that the companies get goes into paying everything, including royalties. I do not want to spend too much time on this but I do not see why my hon. friend should be so hypersensitive about the fact that the government of Alberta is collecting royalties.

About the similar or identical nature of the resolution, I did not have the exact facts of the Petroleum Administration Act before me so I indicated that it was similar. But if it is identical, it is extra similar.

As to the impact on the consumers of Canada, when the hon. member said it would be greater than the December 11 budget, that must be the overstatement of the year. The hon. member will remember that if the budget had come into effect on December 11, there would have been an 18 cents tax, and on July 1 another $2 would have been added which would have probably have increased the price per gallon of gasoline by about 24 cents. We are talking here about 2.5 cents a gallon or 0.5 cents a litre, as I have indicated. So I think that is an overstatement.

In terms of the specific question raised by the hon. member for Saskatoon West (Mr. Hnatyshyn), we had extensive discussions with the parties interested in building tar sands plants. The companies had started with a discounted rate of return of around 16 per cent. Since then they have raised it to about 18 per cent, and the discussion is still going on. I do not know exactly where it will end, but that is what is being talked about by the companies at present as being a reasonable rate of return. I must say that obviously you have to take into account how much will have to be paid in royalties out of this and what in the end would be left to the companies on a net basis. So one cannot conclude exactly what will be the price set, even if it were different from the international price, because then there is a matter of how much the provincial and the federal governments would take over and above what the companies would be left with. Obviously, as the hon. member knows, these are two different things.

● (1740)

With regard to the investigation of the petroleum monitoring agency, this agency has not been set up as such, but there is in my department, under the Petroleum Act, a division that has been monitoring, petroleum, profits and prices for some

time. The information which has been collected is available, and the department has been working on the basis of information collected under the Petroleum Monitoring Act as well as on the basis of the information provided by the companies.

Mr. Hnatyshyn: I appreciate very much the report on the negotiations with the promoters of the two new projects, that is Alsands and the Cold Lake in situ plant. I understand that there have been discussions with respect to a reasonable rate of return. I am interested in the application with respect to the agreement and the *force majeure* clause involved in the present agreement with Syncrude and Suncor.

The minister has referred to the fact that Suncor is apparently making a profit. He gave some figures in the course of his statement. However, Syncrude, as I understand it, has not yet made a profit in its operations. Are the same figures which the minister quoted with respect to future operations applicable to the existing synthetic oil project?

Also, I was not talking about the Petroleum Monitoring Act, with which I am acquainted. I am talking about the new agency which was announced in the Speech from the Throne and which was promised during the course of the election campaign, the petroleum price auditing agency. It was indicated in the Speech from the Throne that this agency would be a very large agency which would be in a position to make exhaustive inquiries with respect to the industry and the oil companies. Is it the intention of the minister with respect to determining what a reasonable price would be for synthetic oil, to invoke and use this particular agency which the government has proposed to set up, or has the government withdrawn from that particular undertaking which it made in the Speech from the Throne?

I am interested in knowing what the government will use as a basis for determining a reasonable price and the general guidelines so that the people of Canada can understand how we will move off the international price, if you will, onto another price which is not necessarily the international price.

Mr. Lalonde: Madam Speaker, the petroleum price monitoring agency will be set up. However, it will not be in operation in time for the current discussions which have already begun and are proceeding. It is the intention of the government to proceed with the establishment of that agency in the near future. The hon. member referred to this agency as becoming a large agency. This does not need to be the case.

The idea is that this agency would encompass at least part of the functions which are now fulfilled by the division which performs the monitoring in the Department of Energy, Mines and Resources. It would then operate as an ongoing monitoring agency and would have the powers which Parliament would legislate in this respect.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I noted the very careful decision which you rendered on the point of order. I noticed specifically that you quite explicity indicated that you were not ruling on the legality of the instrument that is being used here, that you were ruling instead on the propriety of the parliamentary practice which is being following. The question of the legality of the instrument still remains open.

I would like to direct questions to the Minister of Energy, Mines and Resources (Mr. Lalonde) flowing from the fact that the legality of the instrument has not yet been resolved. Can the minister tell us whether he has consulted the law officers of the Crown, either before acting as he did today or after the various questions were raised? I have three questions flowing from the point. First, in light of the unusual circumstances and the interest of the House and the country in a $600 million tax increase which may be illegal, would the minister agree to break precedent and to make available to the House of Commons the legal opinion he received from the law officers of the Crown?

Second, could the minister tell us whether the government is confident that the charge being levied, this $500 million or $600 million tax levy increase, is in fact legal in so far as the minister is concerned? Third, could the minister tell us whether the government is now actively considering some other instrument, whether it be an amendment of the act or some other instrument?

Mr. Lalonde: Madam Speaker, on the first question, this ways and means motion was drafted upon the advice and with the help of the law officers of the Crown. The Leader of the Opposition (Mr. Clark) knows how these things are done, and they have been done through the normal process, inside the government. There has been no formal legal opinion given on the matter as such, for the good reason that this is a procedure which has been followed historically on many occasions for decades by this Parliament and the British Parliament.

I am advised that parliamentary procedure has been operating in this manner for many generations. Although the rules do not provide for ministers giving legal opinions in the House, I have little doubt about the propriety of the method which has been followed if, as I said, we look at the countless precedents in this country and in the U.K. in terms of the role and technique which have been used when governments employ ways and means motions.

With regard to the other instruments, if after the discussions which will take place with the producing provinces, particularly the government of Alberta, there is an agreement which requires some amendments to some pieces of legislation, obviously the Petroleum Administration Act would be brought back before the House, and there may be opportunity to make specific amendments to that act at that time. But as the hon. Leader of the Opposition knows, this ways and means motion is specifically drafted as an amendment to the Petroleum Administration Act.

While I am on my feet and not wanting to mislead the House, I referred to a ceiling of $200 million in the fund. I would like to stress that this is not a ceiling provided by the Petroleum Administration Act itself or by the law, it is a ceiling set up by Treasury Board in terms of administration. They have traditionally avoided allowing the fund to get above

$200 million. This is how much the fund could draw in consolidated revenue if it were in a deficit position.

Mr. Clark: Madam Speaker, I have noted the minister's answer. There is no question that ways and means motions have been used to increase taxes where they were legal. The question which was before the House earlier today and which Madam Speaker felt was beyond her competence or requirement to address, was whether in fact this particular legal instrument was legal in this particular case. I gather that the minister is saying that he is persuaded that it is legal, although he has no legal opinion beyond the fact that the ways and means motion was drafted in the normal way by officers of the Crown.

While we cannot expect the minister to answer today, the House, I am sure, would be interested in knowing as soon as possible whether the minister will seek other advice in light of the debate this afternoon to determine whether in fact he is introducing at midnight tonight a $600 million tax increase which might prove to be illegal.

I would like to turn to another category of questioning. The minister has admitted that the imposition which he is introducing tonight at midnight will have a significant impact upon all users of petroleum, including many people who were exempted from the impact of some of the proposals in the budget of last December. Can the minister tell us whether this government is now contemplating any particular aid to consumers of home heating oil and to low income groups who will be less able than other Canadians to deal with this increase effective at midnight tonight?

● (1750)

Can the minister also tell me whether he is contemplating a special deal for provinces like Nova Scotia and Prince Edward Island, which rely to such a heavy and expensive degree on oil-generated electricity? Is the government contemplating bringing forward some measures to help those Canadians who will be hardest hit by the massive increases that are going to take effect tonight and who are least able to deal with them?

Mr. Lalonde: Madam Speaker, first of all I should like to challenge some of the statements made by the Leader of the Opposition. He calls this a "massive increase" but I would scarcely call a half cent a litre a massive increase.

As far as the general point raised by the hon. Leader of the Opposition is concerned, I might also point out that we have been able to obtain an extension of the present arrangement without the increase on July 1 that his government proposed of $2 per barrel. This would have meant at least a six cents per gallon increase in the price of home heating fuel, as well as gasoline. The present increase is barely two and one-half cents so there is a substantial difference.

Regarding the specific points raised by the Leader of the Opposition, he knows that this government introduced, as one of its very first measures, an increase of $35 per month in the guaranteed income supplement for senior citizens. That increase, going to those who really need it all across Canada, represents a very significant improvement in their standard of living and is a step that will compensate for this increase many hundreds of times.

As far as the other aspect of the matter is concerned, it will be discussed and considered in the context of a general energy program and strategy once we have concluded our discussions with the producing provinces. I hope to be able to announce a number of measures which will be of great significance in terms of an energy policy, at that time.

Mr. Clark: Madam Speaker, I have two very brief questions. I have to note that the minister has now indicated that the government is planning no new help for those Canadians most hard hit by the increase he is making effective at midnight tonight.

My questions concern some of the statements he made in the course of his earlier presentation. He said notice had been sent to refineries. Could he tell the House at what point in time those notices were sent? What is germane is if people outside the House were advised before the House of Commons was.

Second, in response to something said by the hon. member for Vancouver-Kingsway (Mr. Waddell) about Syncrude, the minister said "we are not stuck with Syncrude," and I believe I am quoting him accurately. I believe the hon. member for Vancouver-Kingsway said, "You are stuck with Syncrude", and the minister said, from his seat, "We are not." I may have misheard, but I wonder if that is the case. Can the minister tell us whether he is contemplating any immediate changes in relation to Syncrude and, if so, can he give us an undertaking that there will be a full discussion either with the other participants in Syncrude or related projects or, if this House is sitting, with Parliament prior to the government acting unilaterally?

Mr. Lalonde: Madam Speaker, I am afraid I may have forgotten the first point raised by the hon. member.

Mr. Clark: It concerns the moment of notification to refiners.

Mr. Lalonde: Madam Speaker, I can advise the hon. Leader of the Opposition that the telex to the refiners had been sent soon after the ways and means motion was tabled in this House. I can reassure him in this respect.

As far as the second point is concerned, obviously the reference to the statement made by the hon. member for Vancouver-Kingsway (Mr. Waddell) and my interjection had to do with the fact that he was implying we were, to use his expression, "stuck with the international price for Syncrude". I indicated that this was not the case because, indeed, I have sent notice of intention to invoke *force majeure* for a review of pricing under the agreement with Syncrude.

This matter is one I have been discussing rather extensively with my colleague, the minister of energy for Alberta, in various meetings. We have examined various possibilities and we are still examining alternatives. I can advise the hon. member that any step taken vis-à-vis Syncrude would be as

part of a general resolution of the current discussions and not individually, and that it would only be part of a total resolution. That is what we envisage at the present time.

Mr. Waddell: Madam Speaker, the oil companies are fond of saying a good tax accountant is worth a hundred salesmen but a friendly minister of finance or a minister of energy is even better.

I have four very short questions to put to the minister. First, I understand that once oil is being produced in these tar sands projects, any payment made to Alberta through revenue sharing or royalties will be deductible from federal taxable income. Would the minister agree with that?

Mr. Lalonde: Would the hon. member repeat that, please?

Mr. Waddell: That any royalty payments made to Alberta are deductible from federal taxable income by the company.

Mr. Lalonde: Madam Speaker, I am afraid I would need the advice of the Minister of Finance (Mr. MacEachen) on exactly what the situation is at the present time, particularly vis-à-vis the Syncrude plant. I would hate to mislead my hon. friend. I would want to be sure I give him an accurate answer on issues of this nature. If he would give me time I shall inquire and give him the information later.

Mr. Waddell: Certainly, Madam Speaker. I think when giving them an extra $500 million the minister might want to find that out beforehand. I am sure he will look into it.

The second question is this. I understand that companies in these projects will be able to claim earned depletion allowances at the rate of $1 for every $3 invested in Syncrude, which will be worth approximately $170 million to them. Can the minister confirm that?

Mr. Lalonde: Madam Speaker, I have to advise my hon. friend that all these questions are being reviewed and re-examined. We are examining this matter at the present time, and once a decision is made as to changes that might be made in various taxation aspects that the hon. member refers to, an announcement will be made.

Mr. John Thomson (Calgary South): Madam Speaker, I should like to thank the minister for attempting to clarify the question I asked earlier today with respect to the implications of the levy for the compensation fund and the payment of royalties to Alberta.

I have to take issue with the minister, nevertheless, because he seems to insist on attempting to tie the two together. They are in no way connected. There is no money flowing from the compensation fund of the federal government to the province of Alberta, none whatsoever. Certainly the compensation fund is paying the companies and the companies are paying the royalty, but not all of the money that the companies receive is from the compensation fund.

This is a sensitive point and the minister may think that I am splitting hairs, but I have to take issue with this. We are sensitive about it. The minister has been at great pains to paint Alberta as the bad guy in this. I find that extremely objectionable.

I would refer the minister to the last two sentences of his press release issued today, which states:

> It contributes to payment of Alberta and other royalties, capital and operating costs. Recovery by way of federal income tax is minimal.

That statement misleads the public and certainly the media. I think the minister must agree that it leads people to believe that the major part of this levy is a payment of royalty to the province of Alberta. That is simply not true. Certainly the recovery of capital and operating costs would represent, as I am sure the minister would agree, at least 95 per cent of that portion of the compensation fund which is given to the companies. I think the reason there is no recovery by way of the federal income tax is because Syncrude has not made a profit yet.

● (1800)

In response to some of the questions that were put today by the hon. member for Vancouver-Kingsway (Mr. Waddell) with reference to percentage ownership of this and percentage ownership of that, that is misleading also.

Could the minister tell the House what the accumulated losses are for Syncrude oil?

Mr. Lalonde: Madam Speaker, I do not have those figures at my fingertips. But I want to tell the hon. member everything indicates that the parties who invested in Syncrude have made a very good investment indeed. As a matter of fact I do not know any of them who are eager to dispose of their investment at this time. All the figures that we have, over the life of the plant, particularly if we were to continue international prices, show that the return on the investment would just be huge, and I mean huge.

Mr. Thomson: Madam Speaker, is it not true that Syncrude lost $65 million last year?

Mr. Evans: Sure, last year.

Mr. Lalonde: Yes, so what? It depends on how much money you are going to make under the life of the plant. You look at the contribution which the federal taxpayer, among others, has made to the building of those plants. It is very great indeed. The federal government has a large investment and contribution through all the fiscal incentives and fiscal advantages that are there.

It was planned all along when the project was put forward that the company would lose money for years. If you look at the figures, what is striking is that it has lost a lot less money in the last two years than was forecast. It will come into a money-making stage, which may very well be this year, well ahead of the plans made at the time when the project was put forward. If you ask any of these people who are parties to the Syncrude plant whether they would be ready to be bought back at the original price they paid plus interest, I suggest that

you will not find a single one who would be ready to dispose of his investment.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, if I remember correctly the companies put up about $1.4 billion.

My question to the minister is along the lines of the comments made by the hon. member for Vancouver-Kingsway (Mr. Waddell). Since we, the Canadian people, have in effect put up all the financing, or the majority of the financing, for Syncrude, and we are offering all kinds of tax concessions and write-offs, in other words, we are paying for that plant, and as the minister is saying it is going to be immensely profitable in the years ahead, my question is as follows: since we are putting up all the money, since the public is paying for this, since consumers are paying for it through the extra levies, can the minister tell us whether or not he is contemplating doing the sensible thing, which most other countries in the world have done, and that is taking a greater public ownership within Syncrude, either through the government itself or through PetroCan? The member for Exxon over there is getting nervous.

Mr. Andre: You need the money so you can help Chrysler.

Mr. Nystrom: The member for Exxon is getting very nervous over there.

In the campaign the Liberal party made that commitment, and it is a commitment that all public opinion polls have shown that the people of this country are overwhelmingly behind, including the people of western Canada, as evidenced by what has happened in Saskatchewan.

Could the minister tell us or give us a bit of a preview of what his plans may be for taking over, in co-operation with the provinces, public ownership and control through PetroCan, or in some other way of the future oil resources of this country, particularly the heavy oils?

Mr. Lalonde: Madam Speaker, I am obviously not in a position to reveal any details of plans which the government may be considering at the present time. But I want to assure the hon. member that our commitment to reach a 50 per cent ownership target by 1990 is one to which this government is very firmly committed.

Second, I would like to draw to the attention of the hon. member that the only new tar sands plant that has been announced since this government took office has been a 100 per cent Canadian-owned tar sands plant project in which Petro-Canada is the major partner with Alberta Gas Trunk Line. This is the line that we would want to see pursued and followed with Canadian companies in particular. We hope that our proposals will encourage more and more Canadian financing and participation in tar sands development rather than leaving it mainly or essentially to the foreign multinationals.

• (1805)

Mr. Nystrom: As a supplementary question, is the minister looking at an idea put forward by the Premier of Saskatchewan where a major part of increases in prices of oil are put into an energy development fund in this country so that we can use it as a fund to expand PetroCan rapidly or expand public participation in all future energy development?

Mr. Clark: You voted against that.

Mr. Nystrom: I would like to see the minister propose it. Is he contemplating such a fund where public ownership would be increased very rapidly, the idea having been put forward by the Premier of Saskatchewan?

Mr. Lalonde: In the course of my meetings with my colleague from Saskatchewan, the minister of energy, we had an opportunity of having rather extensive discussions about the proposal by the Premier of Saskatchewan. We are obviously examining a number of alternatives and suggestions. We cannot ignore the proposal by the Premier of Saskatchewan. It is obviously one that one cannot ignore. I tell the hon. member that it is one of several alternatives that the government has to consider before reaching a decision.

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I would like to address a question to the minister in connection with the relation of this levy or tax to his over-all energy package. Is it the minister's intention to introduce into this House bits and pieces of the energy package every week or couple of weeks and spread the impact of the cost of the energy package over a long period of time, or is he proposing after this "sneaky Pete" attempt to gather all the parts together and present them to this House on an omnibus basis so that we can have an opportunity to understand the full impact of the energy program that will be proposed by the government?

Mr. Lalonde: Madam Speaker, I have already indicated to the House the reason why there was some urgency, due to the fact that by September 1 the revolving fund would have been in debt by over $200 million. That is the only measure foreseen in the area of oil and gas pricing in terms of domestic prices. Obviously I have to consider the question of gas export pricing, about which I am in discussion with my provincial counterparts in the next few days in the understanding I have developed with my American colleague. I have to decide shortly whether there should be a further increase in the price of gas exports, but that is not a matter that comes before the House as such. It is a matter I have to consider in the next few days.

As I said, I am in touch with my provincial colleagues about this. The industry has also made representations and I am in touch with the industry. I can assure the hon. member that as far as the government is concerned, we would see as the next step a presentation of a comprehensive energy plan.

Mr. Wilson: Madam Speaker, may I just clarify something about this revolving fund? Is it required under the act that the fund be brought into balance each year? In connection with

that same question, when the fund is in deficit at what stage is that charged against the Consolidated Revenue Fund? Is that at the end of the year or is it after each quarter?

Mr. Lalonde: As far as the act is concerned, I do not believe it provides for the necessity of balancing the fund. The fund has been set up as an autonomous fund to look after the additional costs of the tar sands plant. As to the point raised by the hon. member, I would have to inquire as to exactly what the practice is with Treasury Board and I will be happy to provide him with the information.

● (1810)

Mr. Wilson: I have a question supplementary to that asked by the hon. member for Saskatoon West (Mr. Hnatyshyn). Is it the intention of the minister in connection with these negotiations invoking *force majeure* to refer to the National Energy Board the whole question of the price which the oil companies, the oilsands or tarsands projects, should be paid? If that is the case, will they be regulated in the same way as utilities such as TransCanada PipeLines, Bell Canada and other such utilities? Is it the minister's intention to move toward that means of establishing the price?

Mr. Lalonde: The answer is, no. We are not envisaging a public utility approach as such.

Madam Speaker: Order, please. It seems to me the debate has lasted a reasonable time. I apologize to the hon. member for Vancouver-Kingsway (Mr. Waddell) who has risen again, but it being now past five o'clock the House stands adjourned until Monday at 2 p.m., in accordance with Standing Order 2(1).

At 6.12 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, July 14, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NARCOTICS

PROSECUTIONS, CONVICTIONS AND SENTENCES FOR TRAFFICKING IN HEROIN—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise, under the provisions of Standing Order 43, on a motion of urgent and pressing necessity.

Given the fact that Canadian chiefs of police are concerned about leniency in sentencing for drug offences, a perception borne out by statistics which showed that in 1978 there were 201 convictions for trafficking or for purposes of trafficking in heroin, yet only 18 of those convicted received sentences of over five years and only three received sentences of over ten years; five years earlier, however—in 1973—there were 524 similar convictions for heroin and that year 211 of those convicted were sentenced to terms of over five years, 61 of which were over ten years and seven were given a life sentence, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House urge the Minister of Justice to make a full report to the Standing Committee on Justice and Legal Affairs on the prosecutions, convictions and sentencing for trafficking or possession for the purposes of trafficking in heroin, and the advisability of greater minimum sentences for such offences.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—EXPORTS OF NATURAL GAS TO UNITED STATES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise, under the provisions of Standing Order 43, to present the following urgent and pressing public matter.

Whereas Senator Bud Olson, the Prime Minister's appointed Minister of State for Economic Development, three times rejected by Alberta voters, has failed miserably to persuade the Liberal cabinet to proceed under present legislation with his proposal for the construction of the pre-build section of the Alaska Highway natural gas pipeline, and whereas Senator Olson, hurt by the indecision of the cabinet, is wiggling, fumbling and bumbling in an attempt to erect a smoke-screen to protect the Liberal dictatorship, and whereas the Progressive Conservative members en masse are, and always have been, willing and ready to assist in this endeavour through proper reference to the House of Commons, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House challenge Senator Bud Olson to either get our surplus of natural gas moving to the United States market, or resign from his position and give the people the real reasons why progress is being delayed.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ALASKA GAS PIPELINE—CONSTRUCTION THEREOF—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my motion under Standing Order 43 is in response to a desperate appeal to the opposition for help over the weekend by pipeline minister and Senator Bud Olson, who says he is prepared to give formal approval for commencement of construction of the western leg of the Alaska highway gas pipeline, but finds his colleagues in cabinet reluctant to acquiesce for the reason that a decision in favour of commencement at this time could produce the mistaken impression in western Canada that the government is softening its approach to the west, and that a discovery of the real facts relating to the pipeline has been made and taken into account.

I move, therefore, seconded by the hon. member for Bow River (Mr. Taylor):

That the House instruct the hon. senator to render his decision respecting the Alaska highway gas pipeline in accordance with instructions and advice offered to him by the Leader of Her Majesty's Loyal Opposition.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

INDIAN AFFAIRS

FUNDS FOR NEW SCHOOL ON SASKATCHEWAN RESERVE—MOTION UNDER S.O. 43

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise, under the provisions of Standing Order 43, to ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

Madam Speaker, the children of the Thunderchild Indian Band, near Turtleford, Saskatchewan, up until the summer holidays had been attending a school which has been condemned both by provincial fire officials and federal health offices since 1974. Not 100 feet from the school there is an open cesspool. I am sure hon. members opposite and the President of the Treasury Board would not want their children to fall into a cesspool at the school they attend.

In spite of these severe hazards, and the fact that money for a new school has been approved in the Indian Affairs capital budget for this year, Treasury Board has not consented to release the funds, which means these children will face these conditions for at least another two years. I therefore move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House instruct Treasury Board to make the budgeted funds available so that the work necessary to build a new school may begin immediately.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HUMAN RIGHTS

RELEASE OF POLITICAL PRISONER, DANYLO SHUMUK, IN SOVIET UNION—MOTION UNDER S.O. 43

Hon. Marcel Lambert (Edmonton West): Madam Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity.

The motion concerns Danylo Shumuk, who is considered by many to be the longest-term political prisoner in the Soviet Union. Mr. Shumuk, whose nephew lives in the constituency of Okanagan North, whose member joins me in sponsoring this motion, is 65 years of age and serving the last two years of a ten-year sentence in a special regime corrective labour colony to be followed by five years of internal exile.

In view of the fact that he is a man suffering extreme ill health, this House passed a similar motion on November 3, 1978. I move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That this House reiterates its deep concern and strongly urges the Soviet Union to immediately release Danylo Shumuk from imprisonment.

• (1410)

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

ENERGY CONSERVATION

RESTRICTED USE OF AIR-CONDITIONERS IN MINISTERS' CARS—MOTION UNDER S.O. 43

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I rise, under the provisions of Standing Order 43, to propose a motion of urgent and pressing necessity.

In view of the pressing need for gasoline conservation in this country, in view of the fact that Canadian gasoline consumption increased 2 per cent in the first five months of this year, compared to a decline in most other countries, and in view of the increased consumption of gasoline caused by the use of car air-conditioners, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That this House instruct all ministers to put the long-term interest of this country ahead of their personal comfort and advise their drivers that it is not necessary to leave the air-conditioners of their cars running for long periods while they foul the atmosphere as a result of interminable cabinet meetings this summer.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL ECONOMIC EXPANSION

PROJECTS IN GASPÉ AND ATLANTIC CANADA—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity for which I seek the unanimous consent of the House.

Whereas the December 11 budget provided $50 million for development projects in the Atlantic provinces and the Gaspé, and whereas this additional $50 million would give DREE the largest budget in its history, and whereas the Minister of Regional Economic Expansion has indicated his department is not sufficiently funded to meet the development needs of Canada's underdeveloped regions, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the government be directed to immediately implement the provisions of the December 11 budget, making an additional $50 million available for regional development projects in Atlantic Canada and the Gaspé, and that these projects be identified by the minister responsible for Regional Economic Expansion.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL ANTHEM

PROVISION OF COPIES OF PROCLAMATION TO MPs FOR DISTRIBUTION TO CONSTITUENTS—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. For years, members of Parliament have been able to encourage knowledge of the fundamental rights of Canadians by distributing copies of the Bill of Rights, and have been able to promote the use of the Canadian flag by sending out copies of that proclamation.

Since "O Canada" has now been confirmed as our national anthem by the passage of Bill C-35 on June 27 and by proclamation by the Governor General on July 1, I believe members of this House will want to promote the widest possible enthusiasm for the anthem by sending copies of the proclamation to schools, organizations and individuals in their ridings, I therefore ask leave to move, seconded by the hon. member for Simcoe South (Mr. Stewart)—and I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) would second it if he could by the rules—

Mr. Knowles: Hear, hear!

Mr. Baker (Nepean-Carleton):

That Madam Speaker undertake to arrange the printing of facsimile copies of the proclamation officially making "O Canada" our national anthem, and that these facsimiles be available under suitable conditions to members of Parliament for distribution to the people of Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: The NDP said "No".

* * *

KU KLUX KLAN

PROTEST AGAINST OPENING OF OFFICE IN TORONTO—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise, under the provisions of Standing Order 43, to move a motion which I very much hope will have the unanimous consent of the House.

Whereas the Ku Klux Klan has opened an office in the east end of Toronto, and whereas this group has throughout its history preached doctrines of race hatred and religious bigotry and has engaged in systematic violence and intimidation against thousands of groups and individuals, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House reaffirms its commitment to Canada as a multicultural and multiracial society, whose foundations are political, racial and religious tolerance, places on record its opposition to everything the Ku Klux Klan stands for, and its conviction that this organization is not welcome anywhere in Canada, and calls upon all levels of government to ensure that all Canadians are protected from racial attack, harassment and intimidation wherever and whenever they occur and prosecute the perpetration of these attacks with the full force of the law.

● (1415)

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

POSSIBILITY OF DEINDEXING—EFFECT ON THE ECONOMY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Minister of Finance, perhaps I could direct my question to the Prime Minister. My question is, again, with respect to the proposed deindexing with regard to which this government has been doing some kite-flying.

In view of the fact that the OECD, in their current publication, are anticipating that the real growth in this country will be a negative, in the current six months, of 1 per cent, or $2.5 billion, and bearing in mind that Dr. Stewart, before a committee of this House, testified that deindexing will increase unemployment by .3 of 1 per cent, or perhaps 30,000 more people will be out of work in this country, will the Prime Minister indicate why his government persists in studying the possibility of deindexing personal income tax in this country, and goes to the extent of having the Parliamentary Secretary to the Minister of Finance in effect defending deindexing before an audience in Toronto?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the parliamentary secretary took exactly the same view as the minister, myself and other members of this government in saying that deindexing was a technique of a budgetary nature and it was being studied. I do know if it is

continually being studied. I think it has been studied and now the minister and the officials are waiting for a time, when budgetary preparation comes, to raise it with their colleagues or not to raise it with their colleagues.

If the term "kite-flying" used by the hon. member applies, it is to the opposition which is constantly raising this question as though it was something that was with us. We do not know. We are in exactly the same position the opposition was in when it formed the government, in looking at various budgetary techniques. We have the admission that they also looked at that one. We did not make—

Mr. Baker (Nepean-Carleton): And rejected it.

Mr. Trudeau: We knew on budget night that it was rejected, and the opposition will find out on budget night whether we reject it or not. Certainly, when it was admitted that they were studying this technique, we did not spend all our efforts and energies telling them to stop studying. It is something that they looked at, and we are interested in the net results. When the budget comes down, the opposition will have every chance to say whether it agrees with the budget or not.

• (1420)

Mr. Stevens: The Prime Minister could stop this discussion today by simply saying they are ruling out any suggestion of deindexing. He made it abundantly clear that they are considering it. He asks, what is the cost? The cost is $1.5 billion as far as federal revenues alone are concerned.

My supplementary question is this: because at the federal level they are persisting in their study of deindexing federal income tax in the country, has he at least consulted the provinces, which have tremendous revenue at stake with respect to this question; and if not, does he propose to do so before introducing this in his coming budget?

Mr. Trudeau: Madam Speaker, the hon. member enjoined us to stop studying this matter. I will make a proposition to him and to the members of his party: we will stop studying it if they stop talking about it.

Some hon. Members: Oh, oh!

Mr. Stevens: Madam Speaker, when the Prime Minister says something like that, you can be sure it is going to be in the budget, whenever the budget comes down. Speaking about the budget, last Thursday, in reply to a question put by myself as to when we might expect a budget, the Prime Minister stated:

> We shall try to do as well as the opposition in presenting a budget within a given date of the day on which we were elected.

Madam Speaker, I checked that out. It took us 29 weeks—203 days—to bring in a budget. This means that unless he is going to fail in what he said he would do last Thursday, his budget has to be in by September 8. Can we have that commitment today?

Some hon. Members: Hear, hear!

Mr. Trudeau: I indicated we would attempt to do that, and we shall.

POSSIBILITY OF DE-INDEXING—EFFECT ON LOWER INCOME CANADIANS

Mr. Bill Wright (Calgary North): Madam Speaker, my question, too, is directed to the Prime Minister. In a statement before the finance committee last week, Dr. Ian Stewart, the deputy minister of finance, stated that the poor would be more affected by deindexing than would those in higher income brackets. Considering this, how can the government be contemplating such an onerous move?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know we are all aware of the rules which preclude us from commenting on what happens in committee. I understand that even the opposition is aware of these rules.

Some hon. Members: Oh, oh!

Mr. Trudeau: I think we now see the reason for which the rules are thus conceived; it is because ministers, officials, appear before committees; in this case the deputy minister of finance has appeared before a committee and tried to answer questions of a theoretical nature, because in practice he does not know what the budget will contain because even the government does not yet know, and now, in a sense he is being quoted in the House for being frank and candid and saying, yes, there are many ways of levying taxes, and this is one of them.

I repeat, the government's position has been that until the budget is finally decided, the Minister of Finance and myself, let alone the deputy minister of finance, do not know whether there will be deindexing or not.

Mr. Wright: My supplementary to the Prime Minister is this: someone said in the finance committee meeting that everything is fair game in looking at indexing, whether it be personal and corporate taxes, whether it be sales and excise tax—

Some hon. Members: Order.

Mr. Wright: —whether it be the consequences of various forms of deindexing. Does the Prime Minister agree with this statement that someone made? I am not allowed to quote him.

Mr. Trudeau: I do not understand the question. Madam Speaker, I will give the hon. member another chance.

Mr. Wright: Dr. Stuart also said in the finance committee meeting that everything is fair game from the government's standpoint in considering deindexing, whether it be sales taxes, whether it be personal income taxes, whether it be corporate taxes or the various consequences of deindexation. Does the right hon. gentleman agree with that statement?

● (1425)

Mr. Trudeau: Yes, Madam Speaker. I do not know if "fair game" is the proper expression, but I have told the House many times, as has the minister, that when you are preparing a budget, you have to look at the panoply of instruments which are available to you. Sales tax is one, indexing is another, and direct taxes is another.

Mr. Nielsen: Petroleum taxes is another.

Mr. Trudeau: Petroleum taxes and excise taxes. If the minister was not looking at all these instruments to determine which would help the economy best, at least cost to the people, then he would not be doing his job either.

Mr. Stevens: Cut your spending; that is all you have to do.

* * *

ENERGY

INCREASE IN PRICE OF ENERGY PRODUCTS—DETRIMENTAL EFFECT ON CONSUMERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. The Prime Minister knows that the 2.5 cents per gallon increase imposed by the government on Friday on consumers of gasoline in Canada involves multinational oil companies in tar sands projects, and guarantees virtually the world price to these companies.

Considering that Imperial Oil, in its application for the Cold Lake project, said specifically—and not very long ago—that $14.75 a barrel would be sufficient to make that project profitable, how does the government now justify imposing the $1 million a day additional charge on Canadian consumers which is involved in bringing the price up to $36 a barrel? How has the government reached its estimate? Why is it so charging Canadian consumers?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are two questions involved in the problem posed by the Leader of the New Democratic Party. The levy is not there in order to help the multinationals; the levy is there to ensure that Canadian consumers of oils produced from the Syncrude project are compensated for international prices.

An hon. Member: What?

Mr. Trudeau: It is for the same reason that we have oil compensation payments for oil which is imported from abroad. We also have oil compensation payments for oil which is brought out of Syncrude because of its higher cost. That has been the policy which was established by this government when it was the government in the past: I think it was some five years ago. So much for the meaning of the levy.

As to why this is happening now, the reason is that the new policy which this government fought for during the campaign, and which it is attempting to negotiate with the provinces, has not yet been adopted, but I can assure the Leader of the New Democratic Party—and he knows this—that when we bring it in, our policy is a blend of prices, and that there is no intention to pay world prices for oil which does not cost anything near world prices. When that times comes, I hope we will have the support at least of the New Democratic Party, which is doubtful because it is usually on all sides of the fence.

Mr. Broadbent: Madam Speaker, I can tell the House that we are listening to the master on that one. The Prime Minister was vociferous and active in the campaign in saying that the Liberal pricing policy on oil would be that the replacement cost includes both the cost of production and a reasonable profit, if I understood the Liberals clearly on something. The Prime Minister is nodding in agreement.

If this is still the policy, could the Prime Minister tell us what the replacement cost is for tar sands oil, and where he got this estimate; or does the government have no criteria at all for the tax it imposed on Friday, other than giving unneeded additional profits to the multinationals involved?

Mr. Trudeau: Madam Speaker, I thank the hon. member for describing me as a master. I have not been masterful enough in explaining what I thought was a rather simple point. We are presently under a pricing policy which had been established by this government some years ago.

During the campaign we indicated that we would want to change this pricing policy. We are in the process of attempting to change it now by discussions mainly with the oil producing provinces. We have not yet been successful. Until we are successful, we are acting under the old policy which made some conditional commitment to pay to Syncrude world prices. I repeat that we have not yet been successful in bringing in our new policy because the debate and discussions are going on with the provinces.

● (1430)

I am saying that when the new policy is brought in, we hope with the agreement of the provinces, then the kind of preoccupation mentioned by the hon. member will not be justified because we will have a pricing policy which we hope will bring the NDP in agreement with us. I understand that during the campaign we were saying more or less the same thing on this subject. Even the Tories concede that. I hope that members of the NDP will recognize in all humility that they were following us during the campaign.

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, we all notice on this side that the hon. member for Broadview is smiling broadly. I think he is looking forward to the prospect when his party will ally themselves with us in this debate.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister did, indeed, hear me correctly when I described him as a master, but he did not hear the rest. I said he was the master of the non-answer and vanity, and he has demonstrated both here today.

Some hon. Members: Oh, oh!

Mr. Broadbent: In all humility, as the Prime Minister would say, I would like to suggest that he has not answered the question. Would he, in his final answer, tell the House of Commons and the people of Canada what was the criterion used in justifying the $1 million a day increase which was imposed on the people of Canada on Friday, in light of what I thought was his straightforward commitment during the campaign that the pricing policy would be based on replacement cost, which is the cost of production and a reasonable profit? That must have been the criterion which was used in arriving at the figure on Friday?

I should like to ask him, in that context, why he does not use the *force majeure* provision which the government can use under existing authority to insist that the original commitments made by the oil companies to produce oil at their submitted prices be adhered to and that the government not provide windfall profits which it is moving toward.

Mr. Trudeau: Madam Speaker, I am really sorry that I have not been able to make the Leader of the NDP understand what I have been saying. I will make an effort, and then accept that his judgment is justified that I have been unsuccessful. We have not yet brought in, legislated or announced the new policy for which we fought during the election: it has not been done yet.

An hon. Member: You do not know what it is.

Mr. Trudeau: We are trying to do it—

An hon. Member: Piece by piece.

Mr. Trudeau: —not by applying the *force majeure* clause, as the NDP suggests, but with the agreement of the provinces of Alberta and Saskatchewan. In the meantime, we would prefer not to use *force majeure* or unilateral clauses to impose our will on them.

An hon. Member: What about the oil companies?

Mr. Trudeau: We are trying to get agreement on the new policy. Until that new policy is agreed upon, I regret that we are not carrying out our election promise. But I hope that within a short period of time we will be carrying it out, and I am saying that there may be some disturbance in the country when we do it. I hope that at that point we will have at least the courageous support of the NDP.

Some hon. Members: Hear, hear!

INCREASE IN PRICE OF ENERGY PRODUCTS—ACTION TO CUSHION IMPACT ON CONSUMERS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is also for the Prime Minister. Perhaps he could help me to educate the Leader of the NDP, who believes that last Friday's increase only affects gasoline, whereas it affects all petroleum products, including home heating oil and electricity generation.

As the Prime Minister knows, the government's price increase of last Friday will have a direct impact upon those Canadians who can least afford such an impact, namely, the poor, the aged and, in a regional sense, Quebec and Atlantic Canada which rely so overwhelmingly on oil for both home heating and the generation of electricity. Setting aside, temporarily, the questionable legality of the increase of last Friday, will the Prime Minister acknowledge that the lowest 20 per cent of Canadian income earners are, in fact, the most vulnerable to home heating oil increases? Consequently what measures does his government propose to cushion the impact upon these defenceless Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that argument is a little more difficult to understand, coming from the Conservative party and with the vocal support of the hon. member for Kingston and the Islands, because twice when the Tories formed the government they increased that levy, once on August 30 and once on November 1—

An hon. Member: By 75 cents.

Mr. Trudeau: Yes, by 75 cents. That is exactly the point. Now they are objecting to an increase which they perpetrated twice without thinking of the poor, the lame and the halt, and so on. I suggest that they then understood the reason for this, and they understand it now. They are just playing games.

Some hon. Members: Hear, hear!

Mr. Jarvis: If the Prime Minister wants to talk about games, will he admit that he has embarked upon the strategy of a series of price increases, be it excise tax, refinery tax, special levies and heaven only knows what else, particularly when Parliament is in recess, and will he give us his firm undertaking that the policy will not be implemented, and that the policy will result in higher energy prices than was ever proposed in the Crosbie budget; and he knows it full well?

Will he give us an undertaking that those measures will not be implemented to the detriment of the poor, the senior citizens and those in regions of the country which rely so heavily on oil, without corresponding measures of compensation or tax credits which will minimize the growing disparity between the groups I have mentioned and others in our society?

Mr. Trudeau: Madam Speaker, we had already anticipated it, in conformity with our election promise, when we had this House adopt the $35 a month increase in the guaranteed income supplement. This was a good beginning.

Some hon. Members: Hear, hear!

NORTHERN PIPELINES

ALASKA GAS PIPELINE—PROPOSAL OF MINISTER OF STATE FOR ECONOMIC DEVELOPMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question was originally directed to the Minister of Energy, Mines and Resources, but since he is probably resting up after his activity last Friday I should like to direct it to the Prime Minister.

Apparently Senator Olson, the Minister of State for Economic Development, in an effort to get his pipeline proposal through, has called for a write-in campaign by Alberta residents in order to assist him in persuading cabinet with respect to this proposal. The poor fellow needs help.

I should like to ask the Prime Minister, so we can better understand what kind of write-in Senator Olson wants to encourage out west, whether he would tell us what Senator Olson's proposal is with respect to the pipeline.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, with regard to the Minister of Energy, Mines and Resources, I can assure the hon. member that the minister is not resting: he is meeting in Victoria, B.C., with his counterpart.

Some hon. Members: Hear, hear!

Mr. Trudeau: As to the question concerning Senator Olson, I have not heard what he has said. I have a clipping in front of me, according to which he expressed surprise that the Tory opposition, and particularly their leader, is not supporting this project. I am not sure whether or not he is right, because I do not think anyone knows what the Tories think on this. But apparently Senator Olson was telling Albertans that it would be useful if they helped their members of Parliament—of which, unfortunately, we do not have any on this side—to make up their minds on this, rather than just to criticize the government if they did and if they did not.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Madam Speaker, I think that if the Prime Minister wanted to get some members from western Canada, he would not be sending the Minister of Energy, Mines and Resources to Victoria. The Prime Minister has raised the question of getting representation from western Canada. If he is really serious about it, maybe he would come clean with the House of Commons and the people of Canada as to what the policy is about the pipeline, and what position the government takes with respect to the pre-build.

If the Prime Minister really wants to carry out the proposals made in such glowing terms in the Speech from the Throne about consultation with western members, will he arrange a meeting between Senator Olson and western members of Parliament to discuss the pre-building of the pipeline, so we can give him some assistance in getting this matter to cabinet?

Mr. Trudeau: I will be happy to ask the senator to arrange such a meeting. I think it would be helpful if we had some unified view from the Conservative opposition as to what they think on this. The hon. member for Yukon says we have had it.

Mr. Nielsen: Yes, since 1977.

Mr. Trudeau: He wants it. I know you people have had it; but I am not sure if the hon. member is referring to the policy.

Mr. Nielsen: The policy.

• (1440)

Mr. Trudeau: Madam Speaker, then I think I can assume from what the hon. member for Yukon said that the Conservative party stands undividedly behind the pre-build. I see them all indicating "Yes".

Miss MacDonald: Where does the government stand?

Mr. Trudeau: So I take this as a matter of record; they are all nodding their assent.

Mr. Baker (Nepean-Carleton): Where do you stand?

Some hon. Members: Hear, hear!

Mr. Trudeau: If hon. members bear with me, I will tell them—

Mr. Paproski: Tell us where you stand.

Mr. Trudeau: That is what I am going to do; just hold your horses. It may take a little bit of time, but I will tell them exactly where we stand.

Some hon. Members: Order.

Mr. Trudeau: The law passed by this Parliament in the summer of, I believe, 1978 indicated that we should not proceed with any part of the pipeline unless it was an integrated part of the whole. That is still the position of this government. However, we do not think that one is going against the spirit or the letter of that law by building a section of that pipeline, provided one has the guarantees that it will be part of the whole. That is exactly the position of this government, that one can proceed in stages—

Some hon. Members: Oh, oh!

Mr. Trudeau: I do not think we have the support of the NDP on this. We are losing them on this.

Mr. Rae: No.

Mr. Trudeau: At this point we are working with the Tories.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I think I can say—

Madam Speaker: Order, please.

Mr. Trudeau: I think I can say that we are also working with the United Steel Workers of America.

Mr. Hnatyshyn: And we are working with the devil!

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member for Vancouver-Kingsway.

Mr. Trudeau: I did not finish, Madam Speaker.

Madam Speaker: If the right hon. Prime Minister had not finished his answer, then I will allow the Prime Minister to finish his answer.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: So we have the policy that the pipeline can proceed in stages, provided we have the guarantee that that stage will be followed by the completion of the full pipeline. The sole purpose of the government at this time is to ascertain whether we have these guarantees or not. This is a judgment call. We are trying to get increasing evidence before—

An hon. Member: Bring it before Parliament.

Mr. Trudeau: —proceeding with this decision. The nature of that evidence, once again, will be a judgment by this government—hopefully, as I understand it now, supported by the Conservative opposition—that we have or do not have the sufficient guarantees. That will be the decision taken by cabinet, I believe, on Thursday of this week when we will be weighing the evidence to make a decision as to whether a pre-build will prevent the building of the whole thing or, on the contrary, will encourage it.

Some hon. Members: Hear, hear!

ALASKA GAS PIPELINE PRE-BUILD SECTION—EFFECT ON ENERGY SECURITY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I understand that ironclad commitments now have become judgment calls; that is a change. My question is directed to the Prime Minister and concerns the pre-build.

Last week, the Prime Minister said that the pre-build would not go ahead if it threatens Canada's future energy security; those were his words. Is the Prime Minister aware of a backstop agreement dated October 25, 1979, whereby Trans-Canada PipeLines Ltd. guaranteed that Canadian gas will flow through the eastern pre-build, actually, for 15 years if Alaskan gas is unavailable? Would he not agree that this agreement really is a threat to Canada's energy security?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is quoting from a document of which I do not have any knowledge. I know the pre-build as presented to cabinet would be a scheme whereby there would be a guarantee of some seven years' flow of gas, after which there would be absolutely no guarantee that Canadian gas continues to flow unless the whole thing has been built.

Mr. Waddell: Madam Speaker, may I respectfully suggest that before cabinet makes a decision, the Prime Minister should have a look at these documents? They are a matter of public record.

The backstop agreement means not just more exports of gas—which it means—more than the Prime Minister just said, but since they guaranteed the throughput, it could mean the bizarre situation that Canadian gas destined for Ontario may now have to go through the United States system and back to Ontario. That is bizarre. A government fell 25 years ago over that.

Some hon. Members: Question.

Mr. Waddell: In light of this report, the questions raised today and the statements the Prime Minister just made, is the Prime Minister prepared to have a special debate here in the House of Commons on the pre-build issue?

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, of course I will make sure that the minister and the department are aware of the document to which the hon. member referred. If it is, as the hon. member said, a public document and not one which he just got privately from his capitalist friends, I am sure the minister has already seen it.

An hon. Member: Husky Oil.

Mr. Trudeau: I just do not happen to have the answer myself. All I can tell the hon. member is that any undertaking made by the government will not be bound by some private hopes or aspirations of friends of the hon. member.

* * *

NATIONAL DEFENCE

POLICY RESPECTING NUCLEAR WEAPONS AND NEUTRON BOMB

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is also to the Prime Minister, but on a different subject. Yesterday, on the television program "Question Period", the Minister of National Defence stated a major change in Canada's defence policy with regard to nuclear weapons and the neutron bomb. The minister stated:

> I think we have to prove ourselves maybe a little bit wiser to build up a kind of deterrent, and the deterrent at the moment is not our tanks, our navy or our planes. I think the deterrent now is to try to find sophisticated weapons like nuclear weapons.

He went on to name the French neutron bomb as an example. Will the Prime Minister tell the House whether the minister was expressing government policy when he advocated the development and deployment of neutron weapons?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have just received a transcript of the statement by the minister. I apologize, but I have not had time to have consultations with the minister. The way I read the statement, he is using—as did the hon. member—the first person plural, "we". It is not clear to me whether he is talking about Canada or whether he is talking about the west in general. I rather think the latter, because he is talking of nuclear deterrents. The House knows—we all know—that Canada does not have any nuclear deterrents and that we have always opposed them.

USE OF NUCLEAR WEAPONS BY CANADIAN FORCES IN NATO

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the Prime Minister got to the point right at the end: we have always opposed them and the Prime Minister has always opposed them. He has opposed countries such as France arming itself with a neutron weapon. After the display yesterday, I can well understand why the Prime Minister feels he needs a special adviser in National Defence other than the Minister of National Defence.

Perhaps I could ask the minister my supplementary question. If the minister succeeds in persuading his NATO colleagues to develop nuclear weapons of a sophisticated nature, including the neutron bomb, is it the minister's intention that the Canadian forces in Europe will be equipped with them, or does he wish us to act like Pontius Pilate, keeping our hands clean but encouraging our allies to do otherwise?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is true; this conversation occurred during the "Question Period" discussion on television. Obviously, I was talking about the alliance and about the west, because the question was about what kind of deterrent would be credible if by chance we wanted to promote a peaceful means for disarmament and limitation of arms.

I said at the time that the only way we could have a very efficient deterrent would be to have sophisticated weapons by which we could prove to the Russians that we are serious when we want to talk about peace and disarmament, and that we will talk peace and disarmament from strength, not from weakness.

● (1450)

POLICY ON NATO POSSESSING NEUTRON BOMB

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary is to the Prime Minister and it follows on the comments made by the Minister of National Defence.

It seems to me that the Minister of National Defence, in his answer, once again reiterated his personal support for such sophisticated nuclear weapons as the neutron bomb. I would like the Prime Minister to state very clearly that there is no interest on the part of the government to support in any way the NATO alliance achieving the neutron bomb.

The Prime Minister stated on June 27, in Sweden, in response to a question by a Canadian journalist, that he would vigorously protest to France the possibility of that country using a neutron bomb. It is my understanding that no such protest has gone forward from the Government of Canada. Given the statements of the Minister of National Defence, would the Prime Minister tell the House whether or not he has now gone back on that commitment; or, if he intends to send that protest, when will it be done?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member refers to a statement I made in answer to a question while I was in Sweden. The answer was conditional upon the question being justified in fact. I said if, in fact, France has tested a neutron bomb, we would protest.

Miss MacDonald: It has.

Mr. Trudeau: The hon. lady says that we have not protested. I say, in fact, we have no evidence that France has tested a neutron bomb. The statement by the President of France is to the effect that they now have the wherewithal or the know-how to proceed to another stage where they could build a bomb and test it. My information is that France has not tested such a bomb.

Miss MacDonald: Madam Speaker, I go back to the speech made by the Prime Minister to the special session on disarmament, of the United Nations, in which he very strongly endorsed the decision of the President of the United States not to proceed with a neutron bomb. At that point the United States had not tested such a bomb either.

Because of the Prime Minister's equivocation on this question at the moment, will he tell the House whether or not he will undertake to protest to France the statement made by the President of France, that they have the capability and that they might proceed in that matter? Would he protest to the government of France and ask that they not proceed?

Mr. Trudeau: Madam Speaker, in the speech which I made at the United Nations, to which the hon. member has referred, I advocated in these matters of research and development the strategy of suffocation. That is still the policy of this government. We are hopeful that all the major powers will reach some form of agreement, perhaps in the international forum, whereby all of them will cease and desist from developing new techniques of nuclear devices. That is our position.

I have not protested research in the laboratories of France, the United States or the Soviet Union about various studies and aspects at which they are looking. However, it is the policy of the government that, hopefully, we will use the international forum to have these countries cease this type of, not experimentation because there has been no experimentation yet, but of developing new and more sophisticated weapons. That has been our policy. But it has not been the policy of our government nor, I believe, of the Conservative government, to protest what might or might not be in progress at the research

level before even the knowledge of what they are doing, in fact, has come to us.

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NEW HORIZONS PROGRAM

NOTIFICATION OF GRANTS TO ALL MEMBERS OF PARLIAMENT

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question is for the Minister of Supply and Services. It arises from a statement made July 2 by the Minister of National Health and Welfare who stated, in effect, that cheques for New Horizons Grants would be transmitted to the recipients through the member of Parliament for the ridings involved, regardless of politics, and the minister gave her assurance that no politics whatsoever had been involved in New Horizons grants.

Will the minister tell the House whether or not his department will be forwarding New Horizons cheques through each member of Parliament to recipients, according to the policy decision announced by the Minister of National Health and Welfare? In other words, have such arrangements been completed; and if not, will the minister be talking to his colleagues about completing such arrangements?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, there has been no conversation to date. I will look into the matter and report to the hon. member.

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REGIONAL ECONOMIC DEVELOPMENT

DISTRIBUTION OF PROJECT GRANTS THROUGH MPs

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I would like to direct my supplementary question to the Prime Minister, who I am sure—as he is the Prime Minister—will be fully aware of all new government policies.

In view of the new policy announced by the Minister of National Health and Welfare on July 2, that New Horizons cheques will be forwarded to recipients through their members of Parliament, regardless of political affiliation, could the Prime Minister tell the House whether this will apply to any other type of government grant, such as DREE, employment programs, Open House Canada, and so on; and if not, will it only apply to New Horizons grants or any other grants where the minister concerned is caught with his or her political hand in the patronage cookie jar?

Right Hon. P. E. Trudeau (Prime Minister): That sounds like an argument, Madam Speaker.

NATIONAL DEFENCE

POLICY ON POSSESSION OF NUCLEAR WEAPONS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is to the Prime Minister. It stems from statements made by the Minister of National Defence which were touched on a little earlier.

The minister said, "You talk lately about the French proton bomb" and went on to say, in apparent reference to the high-radiation neutron bomb France recently said it had tested, "I know a lot of people don't agree with me, but it is the only deterrent we have at the moment". Those are very forceful and clear statements.

Judging from the Prime Minister's response to questions asked by hon. members of the loyal opposition a few moments ago, will he stand in the House and state clearly and unequivocally that he does not support the ludicrous statement uttered by the Minister of National Defence, that this is the only deterrent we have, and that the Minister of National Defence was not speaking on behalf of the government when he made that statement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I thought that in answer to the first question I had made it clear that my reading of the quote I saw of the minister's words was that he was not speaking on behalf of Canada or its defence policy.

Mr. Cossitt: You do answer questions now and then.

Mr. Trudeau: He was saying "we", in the sense of the alliance believing certain things, and that within the alliance we have SALT, the Strategic Arms Limitation Talks. Hopefully, it will extend to all forms of nuclear devices, certainly including this one. That is my understanding of what the minister said.

In so far as our policy is concerned, I also indicated that we had opposed proliferation in the past, we had signed the Non-Proliferation Treaty, and we have been active in the Nuclear Test Ban Treaty. We tried to extend that not only to atmospheric testing but also to underground testing. That remains our policy. We denuclearized Canadian forces.

Mr. Blaikie: What is the minister saying?

Mr. Trudeau: I am talking about the Government of Canada.

Mr. Blaikie: What is he talking about?

Mr. Trudeau: I repeat, I believe that the minister was talking about the western alliance, of which the United States is a member, and they are involved in the SALT talks—I repeat, I have not had a chance to discuss the matter with the minister. I saw this text, which certainly would not indicate that "we" refers to "we, the federal government." If it refers to "we, the members of the alliance", it may be an opinion which he is expressing.

Mr. Rae: Make up your mind.

Mr. Trudeau: It is not the policy of the federal government to propose to encourage either the testing or development of further nuclear weapons.

Mr. Rose: Madam Speaker, the Prime Minister's statement almost bristles with hundreds of supplementary questions. I take it that the Prime Minister has repudiated the statement made by the Minister of National Defence, that the neutron bomb is our only deterrent. Assuming that that is what the minister said, does the Prime Minister clearly intend to dissociate himself from that statement and immediately protest the development of the neutron bomb, if that is in fact what is taking place in France at the moment—immediately and as strongly as possible?

● (1500)

Mr. Trudeau: Madam Speaker, I just answered the second part of the question of the hon. member for Kingston and the Islands.

On the first part of the question, I repeat very clearly—this is my second to last answer—that it is not government policy to advocate any form of nuclear development of new arms or further deployment of old arms.

An hon. Member: You said that about deindexing.

Mr. Trudeau: I have said that many times, Madam Speaker. Hon. members know that is a policy of the government. They know that this government denuclearized our NATO forces in Europe—the Canadian component of our nuclear forces. It is our government which did that.

Mr. Hnatyshyn: You did more than that.

Mr. Trudeau: It is our government that is engaged in the purchasing of the F-18, which will not be a nuclear-armed airplane: that should be clear.

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—DATE OF DECISION ON PRE-BUILD SECTION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I should like to put one question to the Prime Minister relating to a round of questions put earlier on the pre-build of the pipeline. The Prime Minister seemed to indicate that the government was looking at the question of guarantees, but he also indicated in his answers a rather close proximity to the date of decision.

Can the House understand that cabinet will be making the decision this week, and that there will be an announcement with respect to the cabinet decision prior to Friday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is my understanding of the timetable the minister has suggested. In his absence, I would not want to give a firm undertaking on his part. I can say, however—as I said earlier—that as of now we are planning to reach a final decision in cabinet Thursday.

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RAILWAYS

JURISDICTION OVER CN AND CP LINES WEST OF WINNIPEG

Mr. Jim Peterson (Willowdale): Madam Speaker, my question is directed to the Prime Minister. It concerns a proposal made at a recent joint meeting of the cabinet ministers of British Columbia and Alberta. As you are aware, Madam Speaker, the proposal concerned those two provinces taking control of the rail lines of CP and CN for everything west of Winnipeg.

In view of the importance of these two rail lines to the economic future of all Canadians, what is the government going to do to prevent any further provincial incursions into this type of federal jurisdiction?

Mr. Nielsen: Double-track.

Mr. Andre: One track each.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I imagine that these proposals are being tentatively developed by the provinces with a view to the constitutional debates which have begun and which are being attended by the Minister of Justice.

I can assure the hon. member for Willowdale that under no circumstances will we give up federal jurisdiction on interprovincial transport and on railways.

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PRIVILEGE

MR. DOMM—ALLEGED DISCRIMINATORY TREATMENT SUFFERED BY HON. MEMBER FOR PETERBOROUGH

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I rose last week, as you will recall, to speak to this question of privilege but in the absence of the hon. member for Peterborough (Mr. Domm) I acceded to the suggestion made by the House leader for the opposition to await the presence of the hon. member for Peterborough in this House. I should like to provide you, Madam Speaker—

Mr. Bill Domm (Peterborough): Madam Speaker, it is my understanding, and I stand to be corrected by the Chair, that when a question of privilege is brought before this House there is ample opportunity for anyone in this House to address that subject.

When I brought the question of privilege to the House about there being different classifications of members of Parliament and said that I had been given false documents from the

ministry in question, at that time he responded to my charges on the question of privilege after three or four members had spoken it. I stand to be corrected on the numbers.

At that time the minister admitted that maybe there was a mistake made. He also said he would look into my question of privilege. I supplied all my documents and all the foundation for argument to the Chair through *Hansard*. That is recorded in *Hansard* of July 3, when I rose on the question of privilege.

My concerns at this time, as a result of the minister rising on this question of privilege, are twofold. First, I would ask the Chair if it is customary that debate can follow while the Speaker of the House is deliberating on the motion I proposed, namely that this matter of discriminatory treatment of members of Parliament by the Department of Secretary of State through the issuance of false documents to me by the department and through the misuse of the citizenship courts for political purposes, be referred to the Standing Committee on Privileges and Elections.

If Your Honour should decide that the minister may again bring the subject up in the form of debate with new information of further elaboration on statements already made, then I would request that the eight or nine members who spoke to this question on July 3 be given the same opportunity. This would allow all members of the House to be treated equally and to elaborate further on the statements they gave or present any new information that might have come to their attention as a result of my question of privilege.

Despite the fact that this is an opposition day and that I would not like to see the time diluted by further debate on this subject while we are awaiting the Chair's decision, I suggest that as there obviously is to be debate, as evidenced by the minister offering further information, then that is all the more reason my question of privilege claiming that there are two classes of members of Parliament in this House be referred to the Standing Committee on Privileges and Elections. At that time any member of the House could present any information that might assist the Chair in determining whether I have a legitimate question of privilege. I think one speech should be sufficient to cover the point in question.

Madam Speaker: Order, please. For the information of the hon. member, one day last week the hon. member for Peterborough (Mr. Domm) was not in the House and the next day the minister was not in the House, so we need a bit of co-ordination here. At one point the minister said in reply to the question of privilege that he would like to bring forward some information to the attention of the House on the question of privilege raised by the hon. member for Peterborough. The hon. member was not in the House at the time the minister wanted to make a statement and bring that information forward, so the House agreed that it would allow the information to be given to the House when the hon. member for Peterborough was present so that, if need be, he could reply to the information. The idea was that the minister would very briefly give the information which he had promised to bring to the House and the hon. member for Peterborough would be allowed to reply briefly if he wished, and that would end the interventions allowed on this question of privilege.

I am ready to rule and I only delayed my ruling, as I did for the question of privilege brought forward by the hon. member for Bow River (Mr. Taylor), because there might have been some similarity. At any rate, I wanted to rule on both at the same time. I am in the hands of the House. If the House still wants to hear the minister's supplementary information, then we will hear the hon. member for Peterborough as well; otherwise I shall rule tomorrow on the question.

An hon. Member: Let us have the ruling.

Madam Speaker: The House will have to wait until tomorrow because I did not bring it with me. I shall rule tomorrow and that will save time for opposition day. However, as agreed the other day, the House now does not want the hon. member to make a further statement?

An hon. Member: That is correct.

Madam Speaker: That is correct.

Hon. Erik Nielsen (Yukon): On the point of order raised by the hon. member for Peterborough, Madam Speaker, there are two points to be drawn to the attention of the Chair. When the minister who now seeks the floor rose and the hon. member for Peterborough was not in his place, that was subsequent to the time the original question of privilege was raised. The minister had already spoken on the question of privilege. On a subsequent day, he then rose seeking to elaborate on his existing contribution to that question of privilege.

• (1510)

Since you have been in the Chair, Madam Speaker, you have been in the custom of hearing members only once on a question of privilege. If you hear the minister twice on this same question, I submit that any member can be heard twice on the same question, and that should be incorporated in your ruling, if you hear the minister now.

Madam Speaker: Indeed, that is quite correct. I did say that I would not allow the hon. minister to make a statement unless the House agreed, and the House did agree.

The minister had said the following in his intervention when the question of privilege was raised: "I am more than willing to look into the matter and bring back to this House this further information".

I am quoting from *Hansard*. However, if the House now does not want to hear the hon. minister, I am in the hands of the House and I will not allow the minister to bring forward that supplementary information. It is quite clear that a member cannot speak twice on a question of privilege.

Mr. Fox: Madam Speaker, very briefly I have two points. First, all I was interested in was to bring the facts to the attention of the House to clear up the issue.

Second, I would now wish to reserve a second question of privilege until I have had an opportunity to verify the blues about what the hon. member for Peterborough (Mr. Domm) actually said this afternoon. The way I understood it, Madam Speaker, he has now modified his statement to say that the minister supplied him with a false document, whereas in his previous question of privilege he spoke about the department deliberately misleading him. Therefore, I want to verify the blues on this matter and reserve my question of privilege until tomorrow afternoon.

MR. GURBIN—DISTRIBUTION OF GOVERNMENT INFORMATION TO DEFEATED LIBERAL CANDIDATE

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, the basis for my question of privilege concerns a press release put out by the Liberal party in my constituency on behalf of a defeated Liberal candidate. I would like to table this press release, if I may, and I will leave it with the Clerk of the House.

The issue at large in this press release concerns a place called Dyer's Bay. The following is from the press release:

Tenders will be called next week for the reconstruction of the dock at Dyer's Bay—

Government information was given only to a defeated local candidate and his local party organization. It has still not been communicated to me as a sitting member of Parliament.

Some hon. Members: Shame.

Mr. Gurbin: I have followed this particular issue through two governments. I have been talking to the small crafts and harbours branch of the Ministry of Fisheries and Oceans, and I was eagerly awaiting this information.

I believe that this breach of etiquette has affected the fundamental basis of parliamentary democracy. It has threatened my rights and responsibilities as a member of Parliament. I think it represents one party's influence that is spreading by using the financial resources of a government that has responsibilities to an entire country. A minister of the Crown has used his position to selectively distribute information to further the career of a defeated Liberal candidate.

Traditional Canadian patronage and Liberal appointments, as across Canada, are also seen in my constituency of Bruce-Grey. If you add to this the habit as represented in my point of privilege, you have a political tool to ensure that this country will be manipulated by one political party. This practice reflects on the ethics of those ministers, defeated Liberal candidates and local Liberal organizations that use this practice.

As the Minister of National Health and Welfare (Miss Bégin) recently learned, members on this side of the House demand the respect that Parliament confers on members by virtue of having been elected. For the Minister of Fisheries and Oceans to expand partisan preferential treatment by giving government information first and only to a defeated candidate is an even more, if possible, serious breach of parliamentary ethics. It must stop.

My constituency of Bruce-Grey has given me the honour of representing it in this House of Commons. The democratic process will freshen itself at another election at the call of Parliament. The attempt to manipulate this constituency shows both a lack of respect for the people I represent and a lack of respect for the democratic process. The constitutional difficulties we are experiencing now are not so much a problem with what is written, but the result of the ambitions of those who hold their own interests above the interests of our land.

This point of privilege has serious implications for the future of this Parliament. I ask you, Madam Speaker, to bring forward a judgment that will reflect the tradition and the spirit of parliamentary democracy.

Some hon. Members: Hear, hear!

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I rise to ask that you permit the Minister of Fisheries and Oceans (Mr. LeBlanc) to reply to this question of privilege tomorrow, and that it be held over.

Second, with respect to the question of privilege raised by the hon. member for Peterborough, (Mr. Domm) and the hon. member for Bow River (Mr. Taylor), since they fall under a similar heading of rights of members of Parliament, I would ask you to defer your judgment until you have heard the Minister of Fisheries and Oceans on this particular question of privilege.

Madam Speaker: Order, please, I will just answer the parliamentary secretary. I will take this question of privilege under advisement. Indeed, there are some affinities with the other two questions of privilege that have been raised previously in the House. I am not saying certainly that there are affinities, but at least on the surface there seem to be some affinities. I do not know whether I will rule on all three of them on the same day, but I will delay the ruling on this particular one and I will look at the other two to see when I can rule on them.

MR. COSSITT—ABSENCE OF REPLY FROM PRIME MINISTER DURING QUESTION PERIOD

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I have a very short question of privilege arising out of a question that I directed to the Prime Minister (Mr. Trudeau). I realize under the rules of the House that no minister, including the Prime Minister, is obliged to answer a question. Ministers can, as the Prime Minister did, decline to answer a question and remain seated.

I would like to make this point as my question of privilege, that when the government refuses to furnish information to a member of Parliament or to Parliament in general, and when a Prime Minister arrogantly, superciliously and pompously remains seated on his rump, then it is high time we changed the rules in this House so that ministers and the Prime Minister do have to give an answer when information is requested. We have seen case after case of information being

requested in this House, and the answers given are not information at all but simply the extreme example of what we saw this afternoon, namely, an arrogant man sitting on his rump and refusing to give information to the people of Canada.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the Prime Minister (Mr. Trudeau) usually answers questions very honestly and at length. The member knows that quite well. It is not the trademark of this government to conceal facts. On the contrary, we are quite open. The percentage of answers provided, especially to questions appearing on the order paper, of which the member is an expert, is very high and there is no basis to the intervention of the hon. member.

Strictly from the procedural point of view, the hon. member is entirely right when he says that a minister is not bound to answer a question. It would also be right to say that from a procedural point of view there is no rule preventing a member from asking a stupid question and he has been a master of that more often than otherwise. I wanted to specify that there is no question of privilege, that we on this side of the House thoroughly and honestly answer questions and that the member on the other hand has acquired the unfortunate habit of asking questions which are not often very intelligent and cost a fortune to taxpayers, especially those appearing on the order paper.

Madam Speaker: I do not have to remind hon. members who are acquainted with the Standing Orders that a minister may or may not answer a question, all the more so the Prime Minister. Consequently, he assumes, I suppose, the entire responsibility for the fact that he did not answer a question put to him during oral question period. The hon. member for Leeds-Grenville (Mr. Cossitt) is probably not satisfied with the situation but the Chair cannot force a minister or the Prime Minister in this case to answer a question.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. It might be appropriate, given the fact that we are entering what I think most of us hope will be the last week of this part of this session of Parliament, that we look at the order of business which the government House leader has in mind beginning tomorrow. If he could outline that for us, it might be helpful in expediting that business.

● (1520)

[*Translation*]

Mr. Pinard: I thank the House leader of the Progressive Conservative Party, Madam Speaker. He had the courtesy of giving notice of his question and I am in a position to give him specific information on the order of business for the House as agreed upon, after discussion, with the House leaders at the end of last week.

First, I should like to state that tomorrow night, at 9.45, the deferred vote on Bill C-3 will be taken. It will be remembered that at the end of the debate on that bill it was agreed to postpone the vote to this week; after consultation it was agreed to proceed with it tomorrow evening at 9.45. Should there be other votes to dispose of at that time, we will be there to do so. Tomorrow, we think it will be possible to dispose of third reading of the following bills, in this order: C-5, C-26, C-4 and also, if possible, at least second reading and referral to committee of Bill C-31. That is what we are suggesting for tomorrow. I have been asked to postpone Bill C-31 till after eight o'clock tomorrow evening. Considering the order of business, I doubt that we could start the debate on Bill C-31 before that time.

With regard to the rest of the week, some bills are now being studied in committee and we hope to be able to obtain final passage of Bills S-2 and C-13. There again, those are the bills which I have had the opportunity of discussing with my colleagues. If time permits, we may also give notice of a bill to transform the Post Office Department into a Crown corporation, a bill which I am told is almost identical to that introduced by the previous government.

Later on, I shall consult my hon. colleagues and try to dispose of at least the second reading of that bill before the adjournment on Friday; it may not be possible and it is not an essential condition but I believe we could be reasonable and agree to discuss the matter after studying the bill on Thursday, or at least reach a conclusion on the matter.

Bills C-34, C-18 and S-6 will have been or could be put before the House before the end of the week, and depending on how business progresses, we could use Thursday as the eighth day allotted to the throne speech debate; Friday could perhaps be set aside to allow the parties to speak, on the motion for adjournment, on subjects of their choice.

So, to sum up, Madam Speaker, tomorrow, if possible, we shall proceed with Bills C-5, C-26, C-4 and C-31; on Wednesday, with the bills that come to us from committee, that is S-2 and C-13, if no other agreement is made on other bills; Thursday will be the eighth day on the throne speech debate, and Friday we can debate the motion for adjournment if we deem it advisable to give notice of it tomorrow or Wednesday depending on how business progresses.

[*English*]

Mr. Blenkarn: Madam Speaker, my question is supplementary to the question directed to and answered by the President of the Privy Council. The President of the Privy Council will recall that a week ago today, Bill C-410 was introduced, a bill to abolish the Small Loans Act. At that time the President of the Privy Council said that he would like an opportunity to study the bill.

In view of the fact there have been consultations on this and similar bills to abolish the Small Loans Act, and due to the fact that this is already before the House, is it possible, particularly in view of the fact that we can put the bill through three readings without debate—

Mr. Darling: Now.

Mr. Blenkarn: As the hon. member for Parry Sound-Muskoka says, now. Is it possible we could get that bill through, debate it and dispose of it, certainly this week?

[*Translation*]

Mr. Pinard: Madam Speaker, I note the hon. member's suggestion to transmit his remarks to the interested minister and, should the need arise, we will follow his suggestion to the letter and dispose of this bill quickly. But I cannot give him the assurance he is seeking just now.

[*English*]

Mr. Blenkarn: Madam Speaker, I would be most delighted to turn over to the President of the Privy Council a letter from his colleague, the Minister of Consumer and Corporate Affairs, addressed to my colleague for Parry Sound-Muskoka, indicating that it is absolutely essential and a priority of the government to dispose of the Small Loans Act. Unfortunately, as the President of the Privy Council knows, the bill has not been introduced by the government. Naturally, we could accept it if instead it were made a government bill, the bill before the House being in exactly the same form that a government bill would normally be.

Mr. Cossitt: Madam Speaker, I rise on a point of order dealing with House business. I would like to direct a question to the President of the Privy Council. About a week or so ago I received a letter from the Minister of Finance in which he confirmed that he was going ahead—I think the words were almost immediately, in the almost immediate future or something like that—with a bill concerning the garnisheeing of public servants' wages in order to put them on an equal footing with the rest of Canadians who do not have the privilege of being protected as public servants now do. When does the President of the Privy Council anticipate that that legislation will be proceeded with?

[*Translation*]

Mr. Pinard: Madam Speaker, concerning Bill C-38 to which the hon. member is probably referring, if there is agreement to dispose of this bill without debate at all stages I have no objection whatsoever to its being approved before Friday. Quite the contrary.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

THE ROYAL FAMILY

CONGRATULATIONS TO QUEEN MOTHER ON HER BIRTHDAY

On the order: Government Notices of Motions:

July 10, 1980—*The Prime Minister:*

That Madam Speaker send a Message to Her Majesty Queen Elizabeth, The Queen Mother, extending the congratulations of the House of Commons of Canada on Her completion on August 4, 1980, of Her eightieth year, expressing the gratefulness of the people of Canada for the many services Her Majesty has rendered them over the years, including Her many visits, beginning with the first in 1939 when she accompanied Her husband, His Majesty King George VI, on the first visit of a reigning monarch to this country, and wishing Her continued good health and long life.

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later today or at the next sitting of the House.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 156, 188, 269, 358, 710, 807 and 1,016.

[*Text*]

NORAD AGREEMENT

Question No. 156—**Mr. Cossitt:**

Is the NORAD agreement due for renewal in May, 1980, and, if so (a) is it planned to re-draw regional defence boundaries (b) will Canada be given sovereignty over its own airspace and, if so, what steps will the government take to strengthen the air force section of the armed forces to meet such a commitment?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The current NORAD agreement was extended for one year on May 12, 1980. There is mutual agreement between the United States and Canada to "reconfigure" the boundaries of the NORAD defence regions. This will mean that future NORAD operations in Canadian airspace will be controlled from NORAD region operations control centres located in Canada.

A major step in the modernization of the Canadian Armed Forces to upgrade Canada's contribution to NORAD was taken April 10 when the government decided to purchase the CF-18A as Canada's new fighter aircraft.

Order Paper Questions

CANADIAN FILM DEVELOPMENT CORPORATION

Question No. 188—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canadian Film Development Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Film Development Corporation as follows:

	Revenue	Net Cost of Operations
1. (a) 1977:	$632,399	$3,787,745
(b) 1978:	$605,118	$2,624,755

2. (a) 1977: $3,537,046 (parliamentary votes)
1978: $3,343,000 (parliamentary votes)
(b) and (c): None.

VETERANS AFFAIRS—TRANSFER TO PRINCE EDWARD ISLAND

Question No. 269—**Mr. Herbert:**

1. What is the estimated total cost of the move of the Department of Veterans Affairs to Prince Edward Island?

2. Does the sum include any amount for additional communications expenditures or for any additional costs resulting from decreased operating efficiency?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. The total approved funding for the relocation of Veterans Affairs is 23.6 million. This does not include costs for building and land which are under negotiation and may not be borne by the federal government.

2. The Veterans Affairs portfolio does not anticipate a decrease in operating efficiency as a result of its relocation. The amount cited in part 1 does not include any operating expenditures, which will continue to be forecast and accounted for in the normal way.

REGIONAL ECONOMIC EXPANSION—PERSONS IN THE SX CLASSIFICATION

Question No. 358—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Regional Economic Expansion (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows:

1. As of March 31, 1979
(a) 40
(b) (i) 10
(ii) 2.

2. As of March 31, 1980
(a) 35
(b) (i) 8
(ii) 2.

3. No.

JACQUES CARTIER AND CHAMPLAIN BRIDGES INCORPORATED

Question No. 710—**Mr. Clarke:**

1. With reference to accompanying note 1 of the financial statement of the Jacques Cartier and Champlain Bridges Incorporated detailed at page 120, Volume III of the 1978-79 Public Accounts of Canada, when the corporation was created, was one of its objectives that it should become self-sufficient?

2. Are there plans at present to place the corporation on a self-sustaining basis and, if so, what are they?

3. Are there changes in corporate structure or operating methods required in order to put the corporation on a self-sustaining basis and, if so, what are they?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Jacques Cartier and Champlain Bridges, Incorporated, a subsidiary of The St. Lawrence Seaway Authority, advises as follows: 1. Yes.

2. The corporation was formed on November 3, 1978, and is striving to bring the structures up to an acceptable level of maintenance. This has involved abnormal expenditures. It is the intention of the corporation to take the steps necessary to become self-supporting after maintenance costs are stabilized.

3. No.

OTTAWA INTERNATIONAL AIRPORT—REPAIRS TO OVERPASS

Question No. 807—**Mr. Clarke:**

1. Has the Department of Transport determined if the deterioration of the surface of the overpass over the airport access road, at the Ottawa International Airport, reflects any serious damage to the carrying capacity of the overpass?

2. Has the department any plans to repair the surface damage and, if so, what is the estimated cost and on what date are the repairs to be carried out?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. It has been determined that the deterioration of the surface of the overpass over the airport access road at Ottawa airport does not reflect damage to the carrying capacity of the overpass.

2. The department has no plans to repair the surface damage.

CF-18 FIGHTER AIRCRAFT

Question No. 1,016—**Mr. Hnatyshyn:**

Has the government entered into an advertising campaign announcing the agreement with McDonell Douglas to purchase the CF-18 fighter aircraft and, if so, in what media and at what cost?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: Soon after the new fighter aircraft contract was signed, the government

sponsored a series of advertisements in daily and weekly newspapers in Canada. The advertisements were intended to inform Canadians on the suitability of the McDonnell Douglas CF-18 in meeting Canada's defence needs and the breadth of the CF-18 industrial benefits program and to encourage Canadian companies to take advantage of the new business opportunities the program offers. The advertisements provided the telephone number of the appropriate Government of Canada Business Information Centre from which additional information could be obtained on the benefits program.

This advertising campaign has been completed. The cost of the advertisements was $259,000 to be shared by the Department of Industry, Trade and Commerce and National Defence.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions No. 929 and 1,037 could be made orders for returns, these returns would be tabled immediately. I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: Is it the pleasure of the House that questions No. 929 and 1,037 be deemed to have been made orders for return?

Some hon. Members: Agreed.

[*Text*]

TRANSPORT—NUMBER OF AIRPORTS EQUIPPED WITH RADAR

Question No. 929—**Mr. Munro (Esquimalt-Saanich):**

1. What airports under the management of the Department of Transport are equipped with radar?

2. What was the pattern of traffic over the past four years at the airports by (a) all types of aircraft (b) commercial (c) non-commercial users (d) jet and turbo propelled aircraft (e) piston-powered aircraft?

3. What airports under the management of the department, with traffic exceeding 100,000 take-offs and landings per year are not equipped with radar aids?

Return tabled.

EXTERNAL AFFAIRS

Question No. 1,037—**Miss MacDonald:**

1. How many women were employed by the Department of External Affairs as a (a) foreign service officer (b) secretary (c) clerk for the year (i) 1975 (ii) 1976 (iii) 1977 (iv) 1978 (v) 1979?

2. For the same years, in the department, what was the ratio of women to men in each of the foreign service officer categories?

3. For the same years, how many women foreign service officers left the department?

4. For the same years, how many Francophones were employed by the department as a (a) foreign service officer (b) secretary (c) clerk?

5. For the same years, what was the ratio of Francophones to non-Francophones in the department in each of the foreign service officer categories?

6. For the same years, how many Francophone foreign service officers left the department?

7. What is the ratio of "secretary" to "foreign service officer" in each bureau of the department?

8. What is the ratio of "secretary" to "foreign service officer" in the department in the office of the (a) under-secretary (b) associate under-secretary (c) deputy under-secretary (d) assistant under-secretary (e) special advisers?

Return tabled.

[*Translation*]

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO DEVELOP AND IMPLEMENT COHERENT ECONOMIC DEVELOPMENT POLICY

Mr. Harvie Andre (Calgary Centre) moved:

That this House condemns the government for its failure to develop and implement a coherent economic development policy.

He said: Madam Speaker, we have chosen to utilize this, perhaps the last opposition day before the summer recess, to debate the subject of economic development policy or, more particularly, the failure of this government to develop a coherent economic development policy. We intend to show during the course of today's debate that not only does the government not have a coherent or a consistent economic development policy, but this failure has had and continues to have very serious and detrimental consequences for the nation, not only in an economic sense but in a constitutional sense as well.

• (1530)

Last week the prestigious OECD released its economic projections for the coming year showing that Canada will witness its worst economic performance since 1954. When we consider that we enter the coming year with unemployment rates which are already outrageously high, the OECD paints a black picture indeed. At times like these we should be grateful to organizations such as the OECD because they do at least present us with an economic prediction for Canada—something the Minister of Finance (Mr. MacEachen) has been unwilling to do.

Some solace can be gained—and I am sure this will not escape the government—by noting that all the OECD nations, especially the big seven, face a slowdown in the coming year. It must also be noted, however, that this slowdown is primarily due to the recent increases in crude oil prices on the part of OPEC, increases which Canada has yet to absorb. Perhaps the most distressing aspect of the OECD prediction is that next

year, on a per capita basis, Canada will have far and away the largest current account deficit of any of the big seven nations despite the fact that we are the only one of those nations to be a net exporter of energy. In other words, all the other nations import high percentages of expensive energy whereas Canada is a net exporter of energy. Notwithstanding this advantage, Canada's current account deficit with the rest of the world will be the largest of any of those nations. Somehow or other, those other countries have been able to absorb the increase in energy prices and do a better job of maintaining their payments accounts and their competitiveness vis-à-vis the rest of the world.

One might well ask: How is it that these nations are doing a so much better job than Canada given the advantages we possess? One reason, and maybe the principal reason, is that every other nation seems to have a plan, a sense of direction, a development policy, an economic policy or an industrial strategy—some goal against which it defines its own decisions and against which its businesses, corporations and unions can define their decisions and assess their progress. I defy anybody to examine the decisions made by the Liberal government over the last decade and describe the economic development goals or the industrial strategy of this country. I defy anyone to consider its record or its statements or its decisions and deduce from them what our industrial strategy or economic development policy has been as a nation.

For example, some years ago the government indicated that it was in favour of a better balance between the various regions of the country. They wanted all Canadians from coast to coast to be in a position to participate more equitably in the development of the country. As evidence of this desire, they created a new department dedicated to such a goal.

Since then, though, despite the existence of that department and the expenditure of hundreds of millions of dollars, regional differences in this country are more acute. In 1971 the Liberal government expressed a belief that science and technology were important to Canada and that it was necessary to increase our efforts in this area. As proof of their dedication to this proposition, they created a Ministry of Science and Technology. Since then, Mr. Speaker, the research and development done by Canada as a percentage of the gross national product has decreased from a dismal 1.4 per cent of the GNP to a disastrous .8 per cent of the GNP.

In 1973, the Prime Minister (Mr. Trudeau) signed a contractual link with the European Common Market. He was dedicated, he said, to reducing our dependence upon the United States and in consequence he intended to increase our trade with Europe. Since then, trade with Europe as a percentage of our total trade has actually decreased while our dependence upon the United States has increased.

In the course of the last decade during which the Liberal bunch opposite has been managing or mismanaging the economy, Canada alone among the OECD big seven has been going through a process of deindustrialization. When we started, our whole reason as a country was based upon the land. That is how the Canadians who came here originally from Europe earned their living. They were engaged in agriculture, the fur trade, fishing, lumbering and, more recently, in mineral development.

In the course of time, particularly after the second world war, that reliance upon the land was reduced; we became increasingly an industrialized country. We joined the industrialized world with manufacturing and high technology industries, industries which utilized the skills and talents of the people instead of just exploiting natural resources.

That is the history of Canada, as it is the history of every developed country today; countries followed the pattern of development from total reliance on the land to increasing reliance on the skills of its people.

Since 1970, the trend in Canada has been exactly the opposite, so that today we have reached what is almost a position of crisis. In 1970, as for years and years before that date, Canada's trade imbalance in the area of high technology and manufactured goods was of the order of $1 billion, an amount which was more than covered by our trade surplus in agriculture. Since 1970, since the Trudeau Liberals assumed power or shortly thereafter, there has been a continuous straight-line deterioration in our position until today we have a trade imbalance on manufactured goods, the goods which produce the jobs, amounting to $17 billion. In other words, we have gone through a process of deindustrialization, the only western nation to have done so.

Why did that happen? Did the government follow a deliberate policy of deindustrialization? Was the government deliberately following a "back to the land" policy under which we would give up our factories and our manufacturing operations and live off the land again as we used to do? "The Land is Strong" was, we remember, the slogan of a past election campaign. Maybe this was what it was all about.

That is not what they said, of course; their policy was quite different. I have a big file of press releases and statements by various ministers, and what they said in 1971 was that they were dedicated to science and technology and to increasing the amount of research and development done in Canada. As proof of their commitment they created a new department; they were dedicated to eliminating regional disparity and as proof they created a new department. They were dedicated to increasing our trade with the rest of the world and to decreasing our dependence upon the United States. As proof they signed a contractual link with Europe.

An hon. Member: They were dedicated to getting re-elected.

Mr. Andre: They were dedicated to industrial development and, as proof, they were working on an industrial strategy.

Mr. Speaker, in every case exactly the opposite happened. In fact, looking at the evidence, the best way to determine the direction in which the government is taking Canada is to observe what the Prime Minister and his ministers tell us and then conclude that the opposite will take place. In that way a far more accurate picture of where the government is taking the country emerges than if one listens to what they say. They

say that research and development must be increased. Exactly the opposite happens. They say that trade with Europe will increase. Precisely the opposite happens. They say that regional disparities are to be eliminated. Exactly the opposite will happen.

● (1540)

The government says it will develop an industrial strategy to make industry the backbone of this country; exactly the opposite will happen.

Looking at the record, one could be forgiven for concluding that the Liberal government is plainly dishonest. However, according to recent evidence, it is not a matter of dishonesty but, rather, a matter of incompetence. It is not that the ministers of the Trudeau government, and there have been many over the years, were dishonest about where they wanted the country to go but, rather, that the Prime Minister and his ministers lacked the competence to take us there.

Many of us have long suspected that that was the case, but a book has been published within the last month which verifies this view and this position. The book to which I am referring is entitled "How Ottawa Decides—Planning and Industrial Policy-making, 1968 to 1980". It conveniently covers the years of the Trudeau administration. It is written by a gentleman who is now a professor at McGill University but who had been for a number of years a highly placed member of the Prime Minister's personal department, the Privy Council office. The author describes how the Prime Minister, his cabinet and his government set about to plan the new nirvana or the Utopia Canada was to become upon the succession to power of this great new guru who currently leads us.

Mr. French describes the sophisticated, highly technical and modern decision-making processes put in place by this Prime Minister when he assumed office. He said to the Liberal party at a Harrison Hot Springs conference in, I believe, 1970 that we no longer had to be just chips of wood on a stream and going to wherever the universe takes us, but that we have control over our own future, that our own view of the future dictates what the future will be and that through these sophisticated planning techniques we would get there. They were sophisticated. There was a cabinet committee system, a Treasury Board system, an expenditure budget process and a finance planning system. They were marvellous systems, but they turned out to be an absolute and total disaster, according to Mr. French, an experienced officer who participated in the process and who now writes as an academic and not as a partisan of any political party.

In particular, Mr. French explains how an industrial strategy for Canada was a specific victim of this chaos which passed for planning in the Trudeau government and how instead of a coherent industrial strategy and a proper economic development policy we ended up with ad hockery and political opportunism, with the industrial strategy as its chief victim. Instead of coherent policy we have had ad hockery of the worst kind. Decisions have been taken or not taken based on short-term political exigencies, the influence of particular ministers, the imminence of an election or byelection or just plain lethargy. One has to wonder how different Canada's constitutional debate might be if, instead of this dismal failure of the federal Trudeau Liberal government with economic policy and industrial strategy, it had developed and stuck to a coherent policy.

The basic argument for a strong central government is that the federal government must have control over the main economic levers in order to manage the economy for the common good. The federal government states—and no one disputes it—that to be a country we must have, at the very least, a common market. There must be a fair and equitable distribution of the nation's wealth. There must be a coincidence of goals. We must have a coherence and a consistency toward common objectives; we must approach, react to or deal with the rest of the world as one strong entity and not be a loose coalition of ten smaller entities.

No one disputes as being a desirable goal that view of a strong central government. However, when we look at the record of the last ten years, we inescapably reach the conclusion that this Liberal government knows not or at least cannot deliver a coherent national economic development policy, and therefore there is great reluctance to extend to it more power than it already has.

I know the Prime Minister and his apologists have a great deal of difficulty understanding people who say they want a strong and united Canada but do not support his position on more economic power for the federal government. If the Prime Minister wants an explanation for that, he need look no further than at his own performance and the performance of his government. The reality is that for ten years people in this country have been looking to this government and asking what are our national goals, what is our industrial strategy and what is our economic development policy. Do we have a coherent set of goals? None is available, as I have pointed out. In fact, the performance of the government and the economy has been in the opposite direction to that which the government indicated as the desirable goal.

Citizens observe this, and as constitutional questions come up and as they ask to whom they want more power to accrue—to the federal government, which has had this ten years of chaos, ad hockery and failure, or to provincial governments, which know and understand people a little better and under which there have not been ten years of ad hockery, chaos and failure—naturally there is tendency to suggest that perhaps we should give the provincial governments a chance, because obviously the federal government has failed dismally. If we want to find the reason for this apparent paradox wherein people are saying they believe in a strong, united Canada but that they want more provincial power, we really do not have to look any further than that, and I wonder how different the debate on constitutional questions might be today if, instead of this kind of failure in economic policy and industrial strategy, we had had a record of consistency, aggressiveness, fairness and so forth from this government and there had been a strategy which had been adhered to by the government.

I know the Minister of Energy, Mines and Resources (Mr. Lalonde)—because he has said so publicly—and the Prime Minister cannot quite comprehend how it is that some of the Atlantic premiers are supporting the positions of the premiers of resource-rich provinces like Alberta, British Columbia and Saskatchewan. The Minister of Energy, Mines and Resources and the Prime Minister say that they do not understand. What they want to do is get hold of resource revenue so that they can distribute it more equitably across the country, and they wonder how the premiers of those at the receiving end of equalization, the Atlantic provinces, can object to that.

They do not understand how they can take that position, but it is very simple. Perhaps it is difficult for the government because it involves a degree of *mea culpa* on the part of the federal government. It involves admitting failures. But the reality is that the Atlantic region has had the experience of dealing with this federal government for ten or 12 years. It has had the experience of seeing the Department of Regional Economic Expansion apparently trying to balance the economic development of this country and seeing the Department of Industry, Trade and Commerce trying to do just the opposite. They balance out. It is very interesting. I see the Minister of Industry, Trade and Commerce (Mr. Gray) is here; he will be speaking later today. He should do the arithmetic some day. I did, and I found that the contributions of the Department of Industry, Trade and Commerce to central Canada just about balance out the contributions of DREE to eastern Canada. So that in fact if you average out the two departments across the country, you get about the same thing and we have no regional economic development policy at all. If in fact there had been some consistency and some coherence on the part of the government with regard to economic development or industrial strategy, you would see quite a different attitude on the part of the premiers than you see today.

● (1550)

Ad hockery has caused an incredible amount of inconsistency. I defy anybody in this country to define what our trade policy is. Perhaps the Minister of Industry, Trade and Commerce will provide some elucidation in his speech, but I am certainly unable to determine what our trade policy as a nation is.

As I indicated earlier, the Prime Minister signed a contractual link with Europe which was supposed to decrease our dependence on the United States by increasing our trade with Europe. But our trade with Europe has gone down. It is a mystery to me and I defy anybody else in the country to clarify it. I would welcome clarification on whether we believe in free trade or protectionism in this country, because you can find examples on both sides of that question.

The only thing we have had from this government since the election is the announcement that we are going to get a new Crown corporation. Is that not marvellous! But that is their response to every policy issue affecting the nation. If you have a problem and do not have the answer, create a Crown corporation. That is great. We go out and hire some people, presumably. I do not know where they are. If they know some people who will man this Crown corporation which will cure all our trade problems, why do they not hire them today? Why do they not bring them into government today and pick their brains now? What magic happens to somebody when you bestow on them the title of Crown corporation? How will they suddenly become geniuses and cure our trade problems whereas they are unable to do anything now? Perhaps there is some retired cabinet minister who needs a chairmanship somewhere, so we create a new Crown corporation to put him into it.

I defy anybody to tell me or the country what this government's policy is toward foreign ownership and foreign investment. Sure, they set up the Foreign Investment Review Agency. So far as I know, all it does is to make a lot of lawyers rich. If it has had an impact on Canadian ownership in this country, it escapes me. It certainly has had an impact on the legal profession because if you want to deal, you have to come to Ottawa with a $200-a-day lawyer and appear before the blooming board and fill out all the papers. So it is wonderful for that industry. But what effect has it had on foreign ownership?

The approach of the Minister of Industry, Trade and Commerce is also surprising. Almost in the same breath he rises and condemns the multinational resource companies in this country. He says they are awful, terrible citizens. Then he gives $200 million to Chrysler and says he will bring Toyota to Canada. Perhaps this afternoon he will stand up and give us his definition of a good multinational and a bad multinational. I hope he will go beyond the explanation that a good multinational is one which operates in Windsor and a bad one is one which operates somewhere else.

Some hon. Members: Hear, hear!

Mr. Andre: It really is mind-boggling to me, a westerner. My constituents ask, how come that almost in the same day, in parts of the same newspaper, we see the statement: "Doggone it, we are going to force these multinationals and oil companies to become 50 per cent Canadian within a couple of years, or else", and then we see: "We have just given $200 million to Chrysler and $50 million to Michelin." What is the big difference?

Does this government have a coherent policy with regard to foreign ownership? Does it have in its tax system measures to encourage Canadians and give Canadians an incentive to invest in this country? For literally generations the tax system in this country was such that a Canadian could not invest in the Canadian oil business on the same tax basis as an American. In other words, Americans had an advantage over Canadians when investing in the oil business in Canada. For decades delegations came from the west to protest this. Literally, this was the response of one of the ministers of finance in the late 1950s, before 1957: "We do not care who owns the industry so long as we can tax it". Finally, that tax provision was changed, but only temporarily because on January 1, 1981, it lapses and we go back to the old system, unless changes are made, where an American can invest in Canada in

the oil business with a tax advantage over a Canadian. If you were dedicated to the principle of Canadian ownership of the industry, Mr. Speaker, you would not tolerate that kind of uncertainty and absurdity.

How about the energy policy of this government? Energy should be an absolute key to economic development and investor policy. I have yet to read the writings of any expert, any think tank or economist who has not reached the conclusion that in the future that industry will come to those who have energy. That will be the key to industrial development in the future. We as a nation, unique among the Big Seven, the OECD nations, unique among the western world, have the opportunity to be energy self-sufficient, to have energy where some of our competitors might not have that option. In spite of that, what does this government do? Are they for self-sufficiency or are they not? Who can tell? It depends on what speech you read and at what time of the year you read it. One says yes, the other says no, and another one yet says maybe.

Even when they say yes—I think that is the recent signal—they do nothing to substantiate that apparent objective. If there were a coherent economic development policy and an industrial strategy in this country and it were based on going back to the land—that is, a coherent industrial strategy, if that is what they choose to have, to go back to the land and abandon the goals of industrial development, manufacturing, and high technology development—then let them state that, put it before the people of Canada and see if they want it. If it is not, if their policy really is what they say it is—that is, to develop industrially, to develop our manufacturing industry, to expand our trade with the rest of the world, to increase the job prospect of Canadians and to decrease regional disparities—then clearly an absolutely fundamental key to that is energy self-sufficiency.

This government could do nothing better for this country than to adopt immediately the policy of the Clark government: first, self-sufficiency; second, help for those Canadians who are least able to adjust to changes which will be necessary, and to provide for relief for those more adversely affected; and third, make sure that the benefits of the economic activity which will be generated from this pursuit of self-sufficiency are spread equitably across the country.

Mr. Paproski: I hope that Bud Olson is listening.

Mr. Andre: Science and technology is an absolute key to the future growth of this country. I once heard an excellent speech made by an economist who said that the key to the future of any country in this world is like a three-legged stool, which is the foundation, consisting of food, energy, and science and technology. Without one of those legs, the stool topples and the country does not make it. We have done absolutely nothing in terms of science and technology—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his allotted time of 30 minutes has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Andre: I am sorry, Mr. Speaker, but I assumed I had 40 minutes; otherwise I would have concluded my remarks. However, I will not prevail upon the House other than to add at this point that during the day we will elaborate on this issue. My colleagues, the hon. member for Etobicoke Centre (Mr. Wilson), the hon. member for Calgary South (Mr. Thomson), the hon. member for Scarborough East (Mr. Gilchrist), the hon. member for Erie (Mr. Fretz) and the hon. member for Halton (Mr. Jelinek), we hope, will all have an opportunity to elaborate on some of the points I raised. We hope that, at the end of the day, the government will have a better understanding of where they should be going in this area.

• (1600)

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in addressing the motion before us today, one is immediately struck by the obvious conflict between employment-related political goals and a Canadian taxation structure, particularly in the corporate sector, which appears almost designed to provide incentives to those sectors of our economy least likely to create employment.

For example, for some years now the greatest write-offs and tax incentives have been provided to the capital-intensive oil and gas industry, an industry which perhaps provides the least jobs per investment dollar in Canada. Also it is the industry with the highest level of foreign control in this country, at least until very, very recently. This process continues on down the line with the next lowest taxation level to major resource industries. It continues until we finally come to the area of secondary manufacturing and the retail industry, the areas providing the highest number of jobs per dollar of investment and the highest degree of Canadian control and local ownership. They have the worst treatment under our tax structure. This is the sector where the highest level of taxation is paid.

Why? Surely two of the prime goals of any government, even this government and the previous government, must be to provide the greatest number of jobs for the least dollars and to encourage domestic control of our economy. I think all parties would agree with those over-all objectives, but the opposite is happening and it must be turned around. Not only must the emphasis, the weighting and direction of our taxation policies and strategies be changed to further the objectives of job creation and Canadian ownership, but our taxation structure itself must be altered in order that government taxation spending be seen and not hidden from public view; that visible grants replace hidden tax expenditures such as accelerated allowances and other invisible write-offs and incentives; that the recipients of these grants are then made financially accountable for such incentive grants as are proffered.

In other words, the government and the public should be in a clear position to demand performance and results for public moneys expended. I do not think that is a very revolutionary idea. I am sure other hon. members will agree that demanding value or performance in exchange for payment is hardly a

revolutionary concept, but the federal government does not do it.

In spite of gutsy statements in the Speech from the Throne and welcomed ones by the Minister of Industry, Trade and Commerce (Mr. Gray) regarding performance reviews by FIRA, etc., that concept of value for payment is still foreign to our entire corporate taxation system. For us not to deal with the obvious imbecility, inequity and impotence of our current system is the height of public irresponsibility. The refusal of this government and the previous one to demand accountability and performance for taxpayers' dollars leads us to believe that in spite of their claims that they are non-ideological—I believe the President of the Treasury Board (Mr. Johnston) was on television this morning to that effect—I think they are really Tories at heart. In so far as guiding or directing our economy toward public goals is concerned, their slogan seems to be: "Praise the Lord and pass no ammunition at all". That may be all right in some circles, but certainly it does not do much when one is trying to deal with the very real problems facing Canadians.

Perhaps I am being too harsh in my judgment. The Liberal party, in its alternate on-years or on-periods, at least adopts the slogans and embarks ever so hesitantly on some positive courses of economic action. For instance, unlike the Tories at least they understood, even though under pressure, that a publicly-owned and publicly-directed instrument such as Petro-Canada was necessary if we were to achieve a national energy policy accountable to the needs of Canada.

Through its plans to dismantle, privatize, BCRIC or what have you Petro-Canada, the Tories would have continued to place our future completely in the hands of the oil multinationals. They would have continued to play poker with all their cards face up, with our future and our livelihoods at stake. Of course, the problem is that the big boys do not play the game that way, and traditionally Canadians have always lost the game as a result.

Now the Liberals have Petro-Canada—we all have Petro-Canada—but the government does not have the will to let it do the job. So now we play poker with some cards face up and some cards down, and we still lose. Is it any wonder? The Liberals say that they do not have the money and that the debt is too big. Some hon. members opposite made this point just the other day, that there are problems with the federal government's account, the deficit has grown already to $14 billion and we do not have the bucks to get on with the job. They still refuse to recognize the very vital difference between public spending and public investment. If a government is to enter the marketplace on behalf of the public interest, then it must be prepared to play the game the way it is played by the big boys or our shareholders, the people of Canada, will lose.

Let me refer for a few moments to what happened in this regard in the forest industry in the province of British Columbia under a New Democratic Party government between the summer of 1972 and the end of 1975. The period I want to refer to really starts late in 1973 up until December of 1975. With a direct public investment of only some $20 million in the British Columbia forest industry, within only about two years the government of British Columbia gained for the people of that province several hundreds of millions of dollars in assets and several hundreds of millions of dollars in profits. It gained direct influence and invaluable experience in the most important and vital industry of British Columbia, all for about 20 million bucks. We easily sneeze that much away every day around here.

Very simply, once there is guaranteed access to and the use of a major resource at low cost, the corporation borrows on the strength of that asset. In British Columbia it used to be one cent per acre for what was called a tree farm licence. The corporation borrowed on the strength of that asset which it received from the public. It was a public asset, only one cent per acre then. Using the capital it borrowed on our assets and using the expertise the corporation hired, it went on to develop and expand its base thereby gaining equity and revenue. It served the public need and the public interest of that province. The government hardly needs to dip into its own resources at all.

The giants of the private sector do not. They have not done so for some years. One would not know it when one hears some Liberals and most Tories. I am sure it was true in the dark recesses of the past that, once upon a time when a company required capital, whether it was a public company or private company, but especially in the private sector, it went to the market, issued shares and gained its revenue in the somewhat democratic process of an open marketplace in order to get its investment capital.

● (1610)

Perhaps that is the way the game used to be played, but for years now, in the major segments of the corporate sector, the greatest amount of investment capital for expansion is generated from revenue. With the growth of giant corporations, particularly monopoly enterprises, and the kinds of procedures which are adopted in that area of our economy, the private sector has had for years what amounts to taxation without representation. Those revenues in no way perform the same role as internal corporate revenues played once upon a time many years ago.

This example of what happened in British Columbia is exactly what the corporate sector has done for the benefit of its shareholders, who are often foreign shareholders, for decades. We believe it is time the Government of Canada became as loyal in serving the interests of its shareholders, the people of Canada, as these other managers have always been. It is about time we stopped playing poker with all our cards or some of our cards face up. It is time we stopped going into the ring with one arm tied behind our back. Those are the rules of the economic game, and there is no reason on God's green earth why we should handicap ourselves, as representatives of the public interest, in dealing with the major segments and interests which currently dominate our economy.

It is not only in the area of taxation where we have had problems. It is not only the unwillingness of the government to

become directly involved in particular strategic areas. Reference was made earlier in the session to grants, to the extent of $140 million made by both the Ontario government and the federal government, to major integrated companies in the pulp and paper sector in the province of Ontario. According to the stories the DREE grants issued by both the federal government and the Ontario provincial government would eliminate 600 to 800 jobs.

A couple of weeks ago I asked some questions in committee of the Minister of the Environment (Mr. Roberts) who is responsible for forestry. I asked whether he did not feel the $40 million to $50 million expended by the federal government on those DREE grants to integrated companies, which are perhaps in the healthiest state of any corporations in the whole forestry sector in Canada today, would more properly have been expended in order to expand the role of the Canadian forest service and begin to do what all parties have been advocating for at least the last two years—a major program of reforestation and extensive silviculture in this country's forest industry, which is one of the major national dollar earners.

I asked the minister whether it would not have been better in accord with our national priorities if that investment were made in restocking our forest lands rather than have the federal treasury hand out between $40 million and $50 million, not to mention the $100 million from the government of Ontario, to those companies when they ought to have been helping themselves over the last several decades in any case. The amount concerned was almost exactly the same total amount as was allocated in the current budget for the entire Canadian forest service. Everyone admits that this service has been falling further behind in its ability to deal with the legitimate demands of that industry, in which the basic stock at least has belonged to the people of Canada for the last several years. As a matter of fact, almost since the election of the first Trudeau government the amount going into research in that industry has been declining annually. We have had brave words recently but little else.

The minister replied in that committee meeting, which was about two or three weeks ago, that did I not think it was a public responsibility and did I not think that it was the government's responsibility to ensure that our pulp and paper industry remained productive? I suppose that is all right, but is it not also part of that industry's responsibility? What is the record of that industry in looking after its own situation and keeping its own house in order? If we look at the remarks which were made by an official of the Ontario government as they are reported in *The Globe and Mail* of April 21, 1980, with regard to the attitude of these companies which were given $140 million in public funds, about $50 million in federal funds and the balance in provincial funds from the province of Ontario, we find he said:

> When things are good, we'll go like a son of a bitch and make good profits, and when they are bad we'll tough it out.

That is the kind of foresight shown by the private sector and we have rewarded them by giving them some $140 million.

The Minister of Industry, Trade and Commerce said with regard to FIRA that he would like to see some guarantees of performance. That is a laudable objective. However, here we are rewarding this kind of performance in the forest industry, and surely that is incentive for initiative in reverse. We have the whole thing backwards. We are providing incentives to companies which have done an absolutely miserable job in looking after their own interests and our national interests. At what point do we say that enough is enough and look for another way? If the carrot does not work, then we must find another way, whether it be by direct intervention, returnable grants, demanding performance before the money is expended or whatever. Possibly, and God forbid, we could consider the alternative of doing it ourselves. Another alternative would be a mix with some equity from the guardians of the public trust to ensure that we get the performance to which our dollars are entitled.

This whole situation is almost unfathomable to me but, of course, I am only somebody who used to work in the industry. Maybe I do not understand the weird and wonderful world of finance, but it seems to me that, considering we have had governments over a long period of time with whatever education and background they have had, we would be hard pressed to see this country fall more and more into the hands of people and corporations outside our own control than we have allowed to happen over the past several years.

Certainly our basic plant facilities in the pulp and paper sector in eastern Canada are very bad. We have allowed the stock in our forest industry right across the country simply to go to heck. It is just not there. We require tremendous amounts of investment, from both the public sector and the private sector, to ensure that we will have enough of what should be a renewable resource remaining so that we can at least maintain the level of employment found in that industry today. But so far all we have had are words.

With the couple of minutes that I have remaining, I would like to comment on one other area which I know is dear to the heart of the Minister of Industry, Trade and Commerce, namely FIRA. That institution, combined with the Department of Regional Economic Expansion, contraction or whatever, has committed such unholy blunders, and I am only referring to the ones of which I am aware have occurred in my own constituency. I refer particularly to relatively small companies. I am thinking of a small company which does not make big headlines, a company which was once called F. R. Rotter Lumber Co. Ltd., which then became Salmo Forest Products Limited, then Idaho Forest Industries, and now is Louisiana-Pacific Canada Limited, which is part of the Georgia Pacific Corporation. And the story goes on and on. We found that hundreds and hundreds of thousands of dollars were being put into that operation in the form of DREE grants. The business was then sold to Idaho Forest Industries. FIRA approved the application, and instead of now having a planer mill operating on two shifts and a sawmill operating on two shifts, it is down to a sawmill operating on one shift.

● (1620)

It is not for lack of a timber resource. They are shipping raw logs across the border, largely pulp logs, and now they have been faced with intermittent lay-offs in the last couple of months. Apparently all they are going to be doing is chipping logs and sending them across the line to feed the Georgia Pacific empire. Maybe it is too late for the minister to get performance guarantees from that company. I do not know if anything can be done now but that is a typical example, Mr. Speaker.

Let me point out one other thing that happened at Salmo, Mr. Speaker. Lousiana Pacific made two applications. The first was rejected because FIRA said there was no tangible benefit to Canada. The owners at that time, Idaho Forest Industries, laid off one of the two shifts that were left in the sawmill. They had already laid off the planers. The company came back to FIRA claiming that Lousiana Pacific said that if they got FIRA approval there would be a tangible benefit to Canada because they would hire the workers back. So FIRA approved the application, Mr. Speaker. That is the kind of game they play—so shallow that children in kindergarten could see through it.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I very much welcome the opportunity this motion gives me to inform the House of some of the efforts and achievements of the new Liberal government in developing Canada's economic potential and specifically in fulfilling the commitment the government made in the Speech from the Throne to develop economic policies that will provide jobs, spur growth, improve regional balance and promote Canadian ownership of the economy.

Within the short space of four months this new Liberal government has demonstrated to the Canadian people both a strong willingness and an ability to act on the problems and opportunities that current economic conditions have confronted us with in all regions of the country. Individual industrial development opportunities have received top priority from the government, which has acted to ensure that the exploitation of those opportunities will result in maximum benefits for Canadians.

Just one example of these positive initiatives is the industrial offsets program. It is a central feature of the new fighter aircraft package and will bring enhanced economic activity as well as a large measure of specific industrial development, worth over $3 billion, to the country as a whole and in every one of our regions. This is a program which can create as many as 24,000 direct and indirect new jobs all across Canada.

[*Translation*]

Mr. Speaker, in the coming years that program of the federal government will have substantial impact on Canadian technology. The purchase of the new fighter aircraft for the Canadian armed forces was indeed calculated to offer our leading industries such as electronics and aeronautics close to 60 per cent of the over-all economic spin-offs valued at $3 billion. As a result it will foster our advanced technology and allow it to meet foreign competition more effectively in the eighties.

[*English*]

Another example is this federal government's move to guarantee $200 million in loans by private sector financial institutions to Chrysler Canada Limited beginning in 1982. As a result, we have obtained a commitment from Chrysler that it will invest approximately $1 billion in this country over the next five years in addition to commitments on jobs, production, sourcing of parts and other important matters, all of which will be very beneficial to Canada as the restructuring of this major motor vehicle manufacturer is under way to meet the requirements of the 1980s and beyond.

Our agreement with Chrysler has helped preserve or eventually to restore some 40,000 jobs directly, 14,000 and more at Chrysler itself, 16,000 employed by dealers all across Canada, 10,000 jobs in supplier firms in all parts of Canada and, as well, at least three or four times as many indirect jobs—100,000 and more.

That is not something the Conservatives want to see. They continue to criticize and to indicate that this should not be done. The Conservatives are saying to the Chrysler dealers and their employees—16,000 of them all across Canada in each and every corner of this country—that they want to see them out of work. The Conservatives say they want those—

Some hon. Members: Oh, oh!

Mr. Gray: —small Canadian businesses to close down. They are saying they want the employees and the 2,200 suppliers—

Some hon. Members: Oh, oh!

Mr. Gray: —selling $500 million worth of goods to Chrysler—

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Gray: No amount of hooting and hollering now will take away the reality that the hon. member for Calgary Centre (Mr. Andre) has put on the record.

Some hon. Members: Oh, oh!

Mr. Jelinek: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. Is the hon. member for Halton (Mr. Jelinek) seeking the floor on a point of order?

Mr. Jelinek: Yes, Mr. Speaker. The minister is making accusations that he should either withdraw or back up.

An hon. Member: That is not a point of order.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. The House could not hear what went on before. I asked for order in the

House and I still do. I hope hon. members will be courteous enough to allow the minister to address the House.

An hon. Member: Listen and learn over there.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gray: Mr. Speaker, what I have said is implicit in the words of the hon. member for Calgary Centre and the words of the hon. member for Etobicoke Centre (Mr. Wilson) in this House.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, a point of order. I feel that this point has gone too far. The minister has already said that it is implicit in something. I want him to tell the truth to the House and not go on lying to the House.

Some hon. Members: Oh, oh!

Some hon. Members: Withdraw.

The Acting Speaker (Mr. Ethier): Order, please. It is very difficult for the Chair to rule on any question of order. We cannot hear from here if there is shouting from across the House like this. I would ask the House to please give the hon. minister a chance to be heard and the Chair will know if there is order or not.

Mr. Gray: Mr. Speaker, if the opposition cannot stand the heat they had better get out of the kitchen.

An hon. Member: That's right.

Mr. Andre: That is the first time we have ever heard that.

The Acting Speaker (Mr. Ethier): Order, please. Is the hon. parliamentary secretary seeking the floor on a point of order?

Mr. Harquail: Yes, thank you, Mr. Speaker. The hon. minister was interrupted on two occasions by two members of the opposition when he was addressing the House. The last speaker used the word "lying" and imputed that the minister was lying. That was very clear and I am sure it will be shown in *Hansard*. I should like you to invite the hon. member to take the opportunity to withdraw that now, Mr. Speaker.

An hon. Member: Right on.

The Acting Speaker (Mr. Ethier): Order, please. Once again I must repeat that I did not hear the word "lie". I thought that what I heard was his asking the member who had the floor to tell the truth. There is a difference between a lie and asking someone to tell the truth.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): From what I heard, the hon. member for Esquimalt-Saanich (Mr. Munro) was asking the member who was addressing the House to tell the truth, and that is all I heard.

An hon. Member: That is the last time you will get away with that.

The Acting Speaker (Mr. Ethier): Order, please. Order, please. Is the hon. parliamentary secretary seeking the floor on the point of order?

[*Translation*]

Mr. Laniel: Mr. Speaker, I do not think hon. members can be allowed to continue to use unparliamentary language, and I distinctly heard the hon. member for Esquimalt-Saanich (Mr. Munro) ask the minister not to go on lying to the House.

[*English*]

The hon. member asked the minister—and he seems to say that he said it—to stop lying to this House. I think that is unparliamentary and should be withdrawn immediately.

Some hon. Members: Withdraw.

The Acting Speaker (Mr. Ethier): Order, please. The point is taken and *Hansard* will have recorded what was said. I repeat what I said before—I did not hear what went on. I thought I had heard the hon. member asking the minister to speak the truth. If there was any implication that he said that the minister had lied, it will be registered in *Hansard* and the question of privilege can be reserved for a later time.

Is the hon. parliamentary secretary rising on the same point of order? Nothing has been heard; it will be heard at a later time after consulting *Hansard*.

Mr. Harquail: I rise on another point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): The hon. parliamentary secretary on a second point of order.

Mr. Harquail: Mr. Speaker, notwithstanding the fact that you have told the House you did not hear it, the hon. member himself has nodded and agreed that he said it. A number of members have said that he said it.

The Acting Speaker (Mr. Ethier): Order, please.

An hon. Member: That is the same point of order.

An hon. Member: Respect the Chair.

• (1630)

Mr. Gray: I am glad there is such agreement on both sides of the House that the truth is important here. I will continue, as in the past, to respect that agreement.

Some hon. Members: Oh, oh!

An hon. Member: Bend it a little.

An hon. Member: Listen and learn.

Mr. Gray: Our program for Chrysler is enabling the restructuring of what is Canada's seventh largest corporation of any kind in ways that will help it to operate, in areas such as purchasing of parts and research and development, that are much closer to Canada's industrial goals than may be the case at present.

We have also begun implementing a national program for the electronics industry, including a special electronics fund aimed at fostering expansion in our country of the already highly successful electronics industry. We are implementing a new national employment strategy aimed at bringing about realization of our people's legitimate aspirations for higher skilled employment and meeting the changing manpower requirements of the high growth sectors in the economy. These are also examples of the Liberal government's commitment to working energetically, to bringing the benefits of growth, increased international competitiveness, job creation and enhanced economic well-being to Canadians generally.

They also provide a solid demonstration to the Canadian people today that, unlike the Conservative government which preceded us, this government has adopted an approach to national economic development which is activist. In other words, we are not operating as a passive bystander in the industrial development of Canada but rather as an active player.

Some hon. Members: Hear, hear!

Mr. Huntington: Mr. Speaker, I rise on a point of order. This is the first time I have risen, but I would have to caution the minister, through you, sir, to not deliberately mislead the House. Because the statements he is making are misleading. There is not a program that he has mentioned here today as a Liberal program that was not—

The Acting Speaker (Mr. Ethier): Order, please. If the hon. member has facts to prove that the minister is misleading the House, perhaps he should bring them forward; but he should not suggest, which is what he is doing.

Mr. Huntington: Mr. Speaker, on the same point of order, there is not a program which the minister has taken credit for as a Liberal program—

An hon. Member: Order.

The Acting Speaker (Mr. Ethier): Order, please. Members cannot all share the same opinion. I am sure all members would like to debate that point. However, I must say to the hon. member that his turn will come and he will be recognized, but right now the Minister of Industry, Trade and Commerce (Mr. Gray) has the floor.

Mr. Gray: Mr. Speaker, it is obvious from all the interest in truth here and from what the hon. member has just said that the truth hurts.

Some hon. Members: Hear, hear!

An hon. Member: That is why you have your hands in your pockets.

Mr. Gray: Because the announcement of the decision to adopt a proposal for new fighter aircraft and the industrial benefits program was made after the government changed. I participated in that announcement. I made the decision, not my hon. friend. The decision to provide loan guarantees to Chrysler was made by the present government and announced by me on May 10. It was not made by the previous government which dithered for five months and put jobs at risk. The electronics program was announced by the previous Liberal government and the previous Conservative government, but it was implemented only after the present Liberal government came into office.

Mr. Huntington: Not so, Herb. That is misleading.

An hon. Member: Listen and learn.

Mr. Gray: What I have been talking about provides solid demonstrations, as I have said, that the present government is adopting an activist approach. As I have said, we are not operating as a passive bystander in the industrial development of Canada, but rather as an active player. This is the role we were elected to pursue on February 18. It is the approach to managing and developing the economy which the Government of Canada is pursuing and will continue to pursue in the interests of all Canadians.

An hon. Member: Where is the budget?

Mr. Gray: I need hardly remind members of this House that during the nine months following the May, 1979 election when the official opposition formed the government, it specifically shunned, in my view at least, an active role for the federal government in the economy. In fact, it seemed almost incapable of any action at all. More than anything else that government's approach was to pull away from direct involvement in the creation of Canada's economic future.

For instance, it was that government's intention, if it had had the chance, to sell Petro-Canada and thus eliminate a powerful instrument of the government and the Canadian people to ensure the positive development of the petroleum sector, one of our most important economic sectors.

Similarly, its members would have removed the government from the position it occupies because of actions of previous Liberal governments of being able directly and positively to assist the aerospace industry through ownership of de Havilland and Canadair as well as the nuclear industry through Eldorado Nuclear, along with a number of other important areas of economic activity.

Some hon. Members: Hear, hear!

Mr. Gray: I could say now that I rest my case, because while the hon. member opposite says they did everything and they were activist, the other hon. member who just tried to interject said that what I am talking about is not appropriate

for government. Obviously, they did not intend to do anything worth while in these areas for the Canadian people.

An hon. Member: Tell us about Trident.

Mr. Roy: What about the Arrow?

Mr. Gray: It was also the Conservative government's decision and so, presumably, part of it stance on economic development, to follow the OPEC cartel and make the price Canadians have to pay for oil and gas susceptible to every move of those international oil producers. With one fell stroke they would have robbed Canada's industry of its competitive edge, an edge that we have a right to expect because of our rich energy resources which are virtually unparalleled among industrialized countries.

[*Translation*]

In fact, this matter concerning oil prices was vital to our economic revival and it will remain so for a long time. To be competitive on foreign markets and stay in the vanguard of technological progress, Canadian industry must take advantage of everything likely to give it an edge over its competitors. We certainly have a highly skilled labour force. We have also an excellent technological base in most areas where markets are developing. However, we have a problem because of the small size of our market as opposed to our vast territory. We must therefore bank everything on what we have that is most precious, that is completely ours; in other words, our natural resources. This is precisely what the Progressive Conservatives did not want to do when they decided to raise the price of Canadian oil to the international level.

[*English*]

But what else was there in the Conservative program for Canada's economy? Of course, there was a Conservative budget which amounted to the biggest one-time assault on taxpayers' pocketbooks the country has ever seen, which was roundly defeated in this House and at the polls.

An hon. Member: We do not sneak things in on Friday afternoons.

Mr. Gray: And there was the Conservative intention to cede essential jurisdiction with regard to resources and the economy through which the federal government, and in my view only the federal government, can ensure that Canada works well for all its people.

Finally, during the brief Conservative government there was talk of some kind of big conference that would be staged—and I use the word "staged" advisedly—so that the business community and government, perhaps others, could discuss Canada's economic problems and prospects. This talk persisted even as the need for action in the industrial development field grew urgent. As I have said, nothing was done to safeguard the 40,000 Canadian jobs directly dependent on the continued existence of Chrysler of Canada. While nothing was done definitively to launch Canada's microelectronics industry into the ultra competitive world of the 1980s, while nothing was done to implement a coherent national industrial policy for all Canada, and while little else was done, the Conservative government tried to get ready to talk about all this, but only next fall.

Mr. Wilson: Who created the unemployment in the first place?

Mr. Gray: The approach taken by hon. members opposite in relation to their responsibilities as a government for the Canadian economy was consistent. It was consistent with that age old Conservative ideology which sees government involvement in the economy as meddling in the affairs of the private sector and places absolute faith in Adam Smith's concept of the invisible hand of market forces. Not surprisingly it did not and could not work. For the Conservative brand of nineteenth century laissez-faire is unrealistic and wholly out of keeping with present day requirements for substained and regionally balanced economic growth.

• (1640)

We are, after all, living in a time of economic uncertainty, a period when Canada, like every other country, is having to cope with persistent inflation, interest rates that are still high although certainly lower than they were at the time the Conservatives were in office, a slow rate of economic growth, increasing energy costs and the threat of shortages, as well as higher unemployment than anyone wants. Moreover, as we look to the immediate and medium-term future, Canada confronts the bleak prospects for the world economy laid out in last week's OECD report, we face growing competition in international markets in the wake of the GATT agreements, and we can expect to encounter the results of substantially increased government support for industrial development on the part of our major trading partners.

In these circumstances, probably more than at any time in our history, there is for the Canadian government an especially formidable responsibility to be an energetic participant in the economy and to vigorously promote and support optimal development and utilization of the country's human, natural and capital resources.

The Liberal government quite fully appreciates the number and magnitude of the problems which challenge our economy. We know there are no magic or simple solutions, particularly at a time when our major customer, the United States, is in a deep recession. However, we have assumed the responsibility which we believe to be incumbent on the federal government to use all practical means available to protect and enhance national economic and social well-being to the maximum realistic extent possible in our interdependent world.

This is the commitment which we have made to the Canadian people. It is a commitment which we intend to fulfil in accordance with the five principles of industrial development policy which were spelled out by the Prime Minister (Mr. Trudeau) during the last election campaign. Those principles are to capitalize on our energy base to build an industrial sector that is competitive worldwide; to ensure that the federal

government is an active player in industrial development; to strengthen our research and technology capacity; to encourage independent Canadian-owned enterprise; and to expand Canadian control of our economy and at the same time increase the benefits to Canadians from the foreign investment that is already here.

I am presenting to cabinet very shortly a proposal for implementing these principles and for giving Canada a far more comprehensive and integrated framework for industrial development policy than we have had in the past. The elements of this policy framework will fulfil the commitments made by the Prime Minister during the election campaign and by this government in the throne speech. The approach which I believe in and which promises to deliver the greatest benefits to Canadian industry, workers and the economy is one which recognizes for government—in co-operation and in consultation with the private sector—an active involvement in the economy and in identifying and developing the strengths of this great country.

For example, through a made-in-Canada price for oil, we will make our energy resources more of an asset than ever before. We have rejected the international cartel price for oil and want to negotiate a fair price, a Canadian price which will ensure companies in every region of Canada a competitive edge in international trade. We want to ensure as well that the large scale energy and other projects which will be undertaken during the 1980s provide Canadian companies with a market for their goods and services—for instance, that the steel is sourced in Canada and that available Canadian workers and expertise are fully used. In this regard I want to say that the northern pipeline is a project with the potential to bring great industrial benefits to Canada. I believe that Canada should have the benefits of the pre-build and of the entire pipeline and a lot more besides.

Another of the methods which we will use will be to target federal government procurement more toward Canadian companies so that taxpayers' money can make a direct contribution towards creating industrial jobs, stimulating international competitiveness for our industries and spurring growth. Each year, the federal government spends billions of dollars on goods and services. We are making new and substantial efforts to increase the number and value of these government purchases that come from companies that operate in Canada and employ Canadians. This policy is already under way and will shortly be expanded and strengthened.

[*Translation*]

Mr. Speaker, one of the ways in which we intend to participate in the development of our economy is by sparing no effort to increase our penetration of foreign markets. My department is in the process of setting up two new agencies which will allow us to expand considerably our participation in international trade; on the one hand, we will have an export development council composed of members from the private sector whose role it will be to make recommendations concerning our export trade policies. And it is my colleague the Minister of State for Trade (Mr. Lumley) who is setting up this important initiative.

On the other hand, Mr. Speaker, we will have a national trading corporation which will help our exporters. This concerns large as well as small and medium-size businesses.

[*English*]

I want to confirm that one of the ways this government intends to take a very active participation in the development of our economy is through trade promotion. We are in the process, through the efforts of the Minister of State for Trade and Minister of State for Small Businesses (Mr. Lapointe), of developing the concept of a national trading company to improve the ability of Canadian industry to compete abroad. We are also actively developing more effective export financing programs.

Our economic development strategy will also emphasize support and encouragement of more advanced technology in Canada. We will promote and encourage our greatest resource—the well-trained, highly-educated and talented labour force in Canada.

Throughout the country, Mr. Speaker, high technology is recognized as the vital key to contemporary national economic growth and prosperity. That is why the throne speech reaffirmed the government's commitment to increase Canada's over-all expenditures on research and development to 1.5 per cent of the value of the gross national product. We will encourage the growth of high technology, not only in the advanced technology sectors, but also in those subsectors of the mature industries where there is substantial potential for growth.

Also, this government is committed to ensuring that foreign investment, to the extent we require it, adds to our ability to take full advantage of the opportunities that are opening up to us. We will both promote the development of strong Canadian-owned businesses and ensure that foreign-owned companies operate in accordance with Canadian economic goals. We will encourage small and large Canadian businesses to grow and become more competitive and ensure there is a maximum of significant benefits from the foreign-owned companies.

It is my intention to introduce to Parliament on behalf of the government, after Parliament resumes in the fall, a package of measures designed to strengthen Canadian participation in the economy and improve the performance of the foreign-controlled firms in that economy. These measures are, first, that FIRA be required to publish, in advance of a decision to allow or disallow, notice of larger acquisition proposals subject to review under the act. The present act precludes the government from making any information public until a decision is announced. This has often been seen to work against the national interest because there are instances where Canadians, if they were aware that a business was for sale, would be willing and able to make a bid which might be better all round for Canada than the foreign bid.

Second, the bill would provide that financial assistance be provided to Canadians seeking either to compete against bids

by non-Canadians to acquire Canadian businesses or to repatriate foreign ownership of assets.

Third, it will provide that FIRA undertake a program of periodic reviews of individual performances of large foreign-owned subsidiaries operating in Canada in key areas like research and development and export activity.

Add to all these government actions, and more, our favourable exchange rate, and I think you have the combination for a strong and vibrant Canadian economy; and this is our fundamental goal for the 1980s.

Moreover, unlike the Conservatives who congenitally prefer inaction and fumble badly when they do manage to act, we have not been content to wait until our industrial development framework was completed, but rather where measures made sense we have moved ahead. For instance, this was the case in the implementation we began of the program to assist the development of the electronics industry. Consequently, for the past four months we have provided decisive evidence to the Canadian public that they made the right choice in getting rid of the Conservative government and electing a majority Liberal government on February 18.

● (1650)

Some hon. Members: Hear, hear!

Mr. Gray: I think we have given the public confidence that there is in office a federal government which is alive to its concerns, a government which does not intend to give away a central role, a national role, in the development of the economy and is prepared to take immediate action where necessary in the public interest.

Foremost among reactions by this government was our successful effort in joining with others in meeting the threat to our political union posed by the PQ referendum. That referendum clearly demonstrated that a majority of all Quebeckers want to be a part of this country and do not want to turn away from their fellow Canadians with whom they share a significant past and can share a brighter, prosperous future. To me this was the major message of the referendum and we should be pleased with it, especially since an important part of that victory was the role played by the federal Liberal statement of our economic future.

But the referendum has not by itself, nor could it have done so, answered a variety of other questions that are important to Canada's continued viability as a sovereign, strong and economically vital nation. For instance, it has not told us whether Canadians in every region want Canada as a whole to be greater than the sum of its parts or merely equal to the sum of its parts, although I think Canadians believe, as I do, they want a Canada with a national purpose and a strong national government. The referendum has not told us whether the very real differences among our people can be reconciled and accommodated in a renewed federal system that is strong enough to meet the political and economic challenges of the 1980s. But I, for one, believe they can. These are the challenges the government is addressing during this period of constitutional discussion. And the preservation and development of our economic union now becomes of major importance.

Mr. Speaker, I have already mentioned by way of example the industrial offsets of the new fighter aircraft and the assistance to Chrysler as indications of how this government is prepared to take decisions which the previous government was unable or unwilling to take in the interests of all Canadians.

To conclude, I want to say that with the achievements we have already carried out in industrial development we have laid a solid foundation for a great deal of further action within the framework of a comprehensive and integrated national development policy. With the policies we have put forward, with the policies we have begun to implement, with the action we intend to take, we shall be creating jobs and stimulating growth throughout Canada. We want to build, we will build, a better Canada for all Canadians, and I think we are well on our way toward accomplishing that goal.

Some hon. Members: Hear, hear!

Mr. Taylor: May I ask the minister a question?

The Acting Speaker (Mr. Ethier): Would the minister permit a question?

Mr. Gray: I would be happy to do so, if there is time.

The Acting Speaker (Mr. Ethier): This can only be done with the unanimous consent of the House. Is it agreed?

Some hon. Members: Agreed.

Mr. Taylor: I would ask the minister: is that not the same speech he made a few years ago, just before he was booted out of the cabinet?

Some hon. Members: Oh!

Mr. Gray: No, Mr. Speaker. This is the speech I made which helped get the hon. member and his party booted out of office before they ruined the economy.

Some hon. Members: Hear, hear!

Mr. Rose: Would the minister permit a further question?

The Acting Speaker (Mr. Ethier): Again this would require unanimous consent.

Some hon. Members: Agreed.

Mr. Rose: The minister talked about the great benefits of the $3 billion industrial offsets associated with the F-18A fighter aircraft. Since the figures which he released in a paper on April 10 stated that 47 per cent of the offsets went to Quebec and 41 per cent to Ontario, with only 12 per cent to the rest of Canada, how much of that benefit accrues to British Columbia in terms of industrial offsets?

Mr. Gray: The figures the hon. gentleman mentioned reflect an analysis of how benefits might be distributed in the light of

the present distribution of the aerospace industry in Canada. I am working to have all regions of the country, including British Columbia, play an active part in taking advantage of the industrial offset opportunities.

The exact distribution to British Columbia will depend to a major extent on how active British Columbian firms are in bidding for opportunities. I will be happy to see them take advantage of these opportunities and I am already working with them in this respect.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Shipbuilding—Reduction of subsidy; the hon. member for York-Sunbury (Mr. Howie)—Regional Economic Expansion—DREE grants for development programs in New Brunswick; the hon. member for Regina East (Mr. de Jong)—Health and Welfare—Health hazards in certain chemicals and pesticides.

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE TO DEVELOP AND IMPLEMENT COHERENT ECONOMIC DEVELOPMENT POLICY

The House resumed consideration of the motion of Mr. Andre:

That this House condemns the government for its failure to develop and implement a coherent economic development policy.

Mr. Harquail: On a point of order, Mr. Speaker. This is an opposition day and we all agree that the opposition should have this opportunity. They have brought forward this motion, but I think it should be noted that throughout the minister's speech there were interruptions and they would not allow the minister to present his speech in a reasonable, normal fashion. I think it should be observed that those interruptions were brought forward by the very opposition party which brought in the motion today.

An hon. Member: Brilliant!

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, this afternoon we have seen a very good example of what we do not need in industrial strategy, industrial development and the industrial development debate in this country today. There is a very good reason why the minister was interrupted from this side of the House. The minister in a very important area to this country chose to be blatantly partisan and, in addition, deliberately misleading to this House on a number of issues. That is something we do not need at this time. We need cool thinking and action on the very important issues which are facing the country today.

With respect to the new fighter aircraft there is a very good reason why action was not taken. The day before the Clark government was about to take that decision the government was defeated. That put the decision off for that three or four-month period and that is why we lost valuable time.

Things were moving along very well on the Chrysler decision but there was an awful lot of delay after the present government took office because of the dithering the minister who has just spoken chose to get involved in. This was in order to look after, the people in his own constituency as carefully as he could without having regard to the broader issue of the country, in a very important decision. But I will come to that in a few minutes. What I was concerned with, and the questions I was placing in the House, was not the validity of the decision but the impact of that decision on over-all economic development in Canada.

Two other matters which the minister raised in his remarks were deliberately misleading. I personally announced the formation of the Export Development Board which he, about five minutes ago, chose to take all for his own. That decision was taken by the previous government and was announced in January, and the hon. gentleman knows it.

The other matter I wish to draw to the attention of the minister is in the area of the electronics fund. My hon. friend from Capilano (Mr. Huntington), the former minister for small businesses, announced—

[*Translation*]

Mr. Laniel: Mr. Speaker, once again I rise on a point of order. I think the House cannot allow hon. members to continue using unparliamentary terms as those which the hon. member for Esquimalt-Saanich (Mr. Munro) used a little earlier and those which were repeated two or three times by the hon. member for Etobicoke Centre (Mr. Wilson) who persists in using the terms—

[*English*]

—"deliberately misleading the House", which are words which are unparliamentary and which have been found to be unparliamentary for years. I want to refer you, Mr. Speaker, to Beauchesne's fifth edition at page 109 where this is made very clear. The hon. member might wish to use another expression which is permitted in the House. He might feel that the minister is misleading the House, but he cannot say in this House that the minister is deliberately misleading the House.

● (1700)

Mr. Jelinek: I think he is.

The Acting Speaker (Mr. Ethier): Order, please. I think the parliamentary secretary makes a very valid point. I did hear the hon. member for Etobicoke Centre (Mr. Wilson) use the expression "deliberately misleading the House," and I think it would be very parliamentary and honourable if the hon. member were to withdraw those remarks.

Mr. Wilson: Thank you very much, Mr. Speaker. I did say "deliberately misleading". I admit that, and I would be very glad to withdraw that and agree that the minister was not deliberately misleading. He was misleading out of ignorance or stupidity or for some other reason.

Some hon. Members: Hear, hear!

Mr. Wilson: With regard to the other matter to which the minister referred about which he was misleading and incorrect, he said that the economic development conference we were going to be having was to be held some time this fall. He knows perfectly well that it would have been held in the early winter of this year. What we have seen happen as a result of this government's taking office is a loss in time which has amounted to billions and billions of dollars lost in economic development activity through a continuing deferral of a comprehensive energy policy which we had introduced and on which we were very close to having total agreement between all the provinces of the country. All we have seen over the past four or five months is continuing argument and disagreement between the different levels of government, with the result that everybody in this country suffers, and to me that is one of the most damaging elements of any industrial strategy or lack of strategy.

Finally, let me quote from "How Ottawa Decides" by Richard D. French who, I understand, used to be an official in the Privy Council office in the Trudeau government. Let me quote from page 145 as follows:

> The Clark reforms represented a coherent attempt to resolve certain persistent flaws in the central decision-making process. The arrival of the new government, headed by a Prime Minister with the courage to innovate despite a precarious political situation, created a window through which a breath of fresh air ventilated the corridors of power. Significant features of the Clark reforms appear likely to be retained by the new Trudeau administration which arrived in February, 1980.

I am glad the minister has seen fit to accept many of the innovations brought in by the Clark government. I wish he had the courage and the good manners to give credit where credit is due.

Let me move from here to make a contribution to this debate in what I would regard as a non-partisan manner, in such a way as to bring forward some proper thinking in what I think we all agree is a very important area for the future of this country.

We are moving into some very difficult times in the 1980s. There are some great economic opportunities in the long run but, unfortunately, in the short run we have some very real problems and we have to face up to those today. We have heard from my colleague, the hon. member for Calgary Centre (Mr. Andre), about previous attempts at trying to reach some form of economic development strategy, and I would like to discuss some areas in which I feel this government should be moving today.

I think it is important that the government put its ideas down on paper because we have seen a clear change in direction from previous Liberal administrations. The Prime Minister (Mr. Trudeau) has said that his government will ensure that the federal government is an active player in industrial development rather than just a passive referee. He has also said that the government will be in active participation when the public interest requires it. The minister himself has indicated a clear direction toward economic nationalism in this country. What we do not know is how the government is going to achieve this, and for that reason it is critical that this be put on paper so that the people in the country understand which way this government is intending them to go.

Harking back to the end of 1975, the Prime Minister indicated very clearly the direction in which he wished to take this country. He said that we were going to have more government and that we had to get used to bigger government in our lives. What concerns me today is that this government is trying to sneak in this policy without proper debate, and I look forward to participating, hopefully this fall, in a debate in this area. Because I do not think it is right for the government to bring in ad hoc decisions such as the Chrysler bail-out, the extension of the shipbuilding subsidies, the extension of shoe import quotas and changes to the Foreign Investment Review Act, without our having an opportunity to discuss the total strategy which the government is proposing to follow.

From time to time during the earlier months of this Parliament I tried to elicit from the minister some of the ground rules and yardsticks by which he was going to be making decisions relating to the bail-out of sick companies or assistance to dying industries. To date the only basis on which I can see the Chrysler decision was made was that it was big and involved many jobs.

Miss MacDonald: And it was in Windsor.

Mr. Wilson: My hon. friend says that it was in Windsor, and that is probably the most important basis. I can understand if jobs are involved, but there was very little else in the minister's statement to indicate the basis on which these decisions are to be made. If this government is going to become more and more involved with poking its finger into the workings of the economy, we must know the basis upon which the decisions are going to be made. Any proposal or request for help from the government will be very hard to turn down based on the merits of that particular proposal itself because there will be jobs at stake and there will be communities affected. What we need to have are some ground rules as to how we take those sick companies from the state they are in today at the time the proposals are made to a point where they can make a positive contribution to economic development in this country.

I would like to talk briefly about the proposals regarding the Foreign Investment Review Agency. The Clark government

was supportive of the Foreign Investment Review Agency and was in the process of implementing administrative changes to assist in the efficiency and effectiveness of its operations. Unfortunately, as I understand it, nothing has happened with these proposals. They are collecting dust at the back of a filing cupboard over in the C. D. Howe Building.

The other thing we had proposed was the formation of a special committee of the House of Commons to study the operations of FIRA against the background of foreign investment in this country today. Many things have changed since the minister, in a previous incarnation, did his report on foreign investment in this country. One thing is that we have one million plus people unemployed today, and it is for that reason that we have to take a very careful look at how the Foreign Investment Review Agency is to operate.

I urge the minister to state with greater precision the direction he wishes FIRA to take, because one of the problems we have seen in the past is that FIRA has been allowed to drift. There has not been sufficient political guidance as to the direction that the government of the day wished FIRA to take. Everyone—FIRA and Canadian and foreign businessmen—would benefit if the government made a clear statement as to how it interprets two words in the act. Those words are "significant benefit". The act itself is too general. Canada needs a qualitative statement which will shift depending upon the economic and industrial circumstances of the day and which sets out the interpretation of the government of the day of what "significant benefit" means.

● (1710)

The government has stated clearly its intention to strengthen FIRA in three areas. I would like to comment on each of these.

They would have FIRA monitor the operations of foreign owned companies in this country. I urge the government to move slowly on this new mandate. This is a most sensitive area of intervention since it involves government direction over the decisions of management. This would be a new departure for any government. Government should also limit its activities to the larger companies, since this is the area where, if there are problems, the greatest benefit can be achieved.

Prior to embarking on this policy, the government should advise the companies affected in a very clear fashion what the guidelines are. The current principles of international business conduct should be updated and, in areas, expanded upon. These should be submitted to the companies involved well in advance. It would also be useful if the government embarked on a degree of consultation with organizations, such as The Business Council on National Issues, the Canadian Manufacturers' Association and others, as to how to proceed from here.

When I was recently in Australia, I met with the foreign investment review board in that country to disucss with them how their approach to foreign investment differed from ours. One of the areas which I found fascinating was the fact that decisions are handed down by a tribunal, which includes retired businessmen as well as the commissioner for the government agency over there. The involvement of these businessmen was described to me as being "astonishingly successful".

I strongly suggest to the minister that this approach be used in the monitoring activities that he has in mind, because private sector representatives could assist greatly in developing the right approach and the proper tone for the monitoring process. In addition, where there are problems I believe a private sector individual will have much greater success in seeking action from the company in question than a bureaucrat who has no direct business experience. I say this because it is easy for a confrontation to develop between FIRA on the one hand and the business affected on the other.

The second area where the government proposed to move is in announcing publicly proposed acquisitions. Again I urge the minister to do so only with those large acquisitions and other forms of acquisitions where there is real significance to the economy. It is essential that the threshold level and other ground rules for such notification be announced beforehand so that the companies affected would be clearly put on notice.

The third area of proposed action is in making financial assistance available to Canadians wishing to take over foreign-owned companies. In this area, the government is putting itself in the position of being both banker and judge and, in certain cases, possibly be broker as well. It is obviously very difficult to be objective in these circumstances. So I recommend strongly that the government separate any such activities from FIRA and, if possible, from the Department of Industry, Trade and Commerce. Because I am concerned about the effects of this third policy, I suggest that the government put a clear limitation on the amount of loan guarantees they wish to make. We must not forget that this money would be disbursed without creating one new job in the country. It will also result in funds leaving the country to be invested elsewhere.

In addition to the dollar limitation, I suggest that the government require from Canadian companies a business plan which would set out how the Canadian company would operate in a clear way to bring significant benefit to Canada. There is no point in simply satisfying our nationalistic emotions if, at the same time, there is not a clear plan of how economic development would be improved in this country as a result of the buy-back policy.

Of greater importance, however, than strengthening FIRA would be policies to encourage a greater degree of Canadian ownership in this country. The Prime Minister, in his speech immediately prior to the election, spoke in a vague way of policies to encourage Canadian ownership. I urge the government to bring these forward at the same time as its policies to strengthen FIRA. In this regard the government might consider tax free financial instruments to finance takeovers of foreign firms. They might well embark on a policy of moral suasion in certain industries, seeking companies themselves to take action to reduce the level of foreign ownerhsip.

I have one final point to make. Since the government is looking to FIRA to take on an expanded role, I urge that proper funding support be provided to the agency. In recent months the workload has increased, the backlog has increased,

and funding support has been reduced. I do not know whether this is a deliberate attempt by the government to discourage foreign investors because of the slowness of the process. If so, that is a dangerous policy at a time of high unemployment. FIRA should be staffed adequately with professional people in order to ensure that its mandate is effectively and expeditiously carried out.

Another area of concern which I believed should be covered in an industrial strategy is the area of foreign exchange policy, particularly as it relates to the manufacturing industry. Some weeks ago I put a question to the minister in an attempt to ascertain his view on this important subject. Either he did not understand me at that time or he chose to ignore my question, because I did not get an answer. It is essential that a clear signal be given that the manufacturing industry in Canada will not be sacrified in favour of the development of energy mega-projects in this country.

In recent months we have seen a tendency for the government to allow the exchange rate to increase in response to investment flows for energy projects. The resource sector in this country has done extremely well in recent years, but the manufacturing industry has not, as witness the $17 billion deficit in trade and manufactured goods. Management in the manufacturing industry must be assured that the value of the Canadian dollar will continue to reflect the competitive position of the manufacturing industry in this country. Otherwise they will not proceed with investment decisions or trade development initiatives which will lead to an improvement in our manufacturing trade deficit. Again, let us not forget that these investment decisions and trade initiatives will lead to improved employment prospects in this country.

Last fall I asked officials in the Department of Industry, Trade and Commerce to develop a competitive index which would clearly show the competitive position of the manufacturing industry in this country relative to the United States and others competing with us. I had intended this to be issued on a quarterly basis to be used as an early warning signal if we were beginning to lose our competitive position. I also expected it to be useful in the management of our foreign exchange policy so that the level of the Canadian dollar would not get out of line relative to the manufacturing position of this country. There had been one confidential trial run on this index before the government changed, but since then I have seen nothing. I encourage the minister to see whether he can bring this forward.

On the question of our manufacturing deficit and foreign exchange policy, I believe it would be useful to consider the activities of the import replacement division of the Department of Industry, Trade and Commerce. One of the reasons Canada has a $17 billion trade deficit in manufacturing goods is that we are not purchasing sufficient manufactured goods in this country. I believe the government should place a considerably greater degree of importance on this division of the department. The previous industry, trade and commerce critic has expressed some interest in imports replacement, and I hope the minister will follow through on that interest.

Economic Development

In a number of speeches I made last fall I drew the attention of businessmen to the new trading environment as a result of the multilateral trade negotiations. I suggested there was a real opportunity for the operations of multinationals to become more specialized as a result of the reduction in tariffs and of the rationalization which was bound to occur as the MTN was implemented. Clearly one of the areas of opportunity for Canadian subsidiaries is to obtain world product mandates from their parent companies. There is no reason why in many industries Canadian manufacturers cannot be fully competitive with their counterparts in the United States and in other countries. There are many examples of this, the most prominent being Westinghouse, Canadian General Electric, Black and Decker, and the office equipment industry.

Last fall I requested the department to prepare a paper outlining the opportunities, problems, past case studies and operating guidelines of companies with world product mandates. I sought this paper because I felt it would be useful for Canadian management to develop a better understanding prior to the full implementation of the MTN in order that they might be better armed to go to their parent company seeking a world product mandate on certain products.

• (1720)

Also I ask the officials to consider ways in which the government might assist and support Canadian management who wish to make presentations to their parent companies. Again, I do not know what happened to the incentives—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses)): Mr. Speaker, I am pleased to be involved in this motion before us today. I suggest to the House that the motion is ill-conceived and shortsighted, in view of the fact this Thirty-second Parliament was only elected on February 18, 1980, or 146 days ago, and already is in its thirteenth week of sittings. By contrast, under the previous administration 146 days after the Thirty-first Parliament was opened the House had sat for only slightly over two weeks. These past weeks since April 14 have been busy and productive. As of this date, I am proud to note that 23 pieces of legislation have passed second reading and 18 pieces have received third reading.

Some hon. Members: Hear, hear!

Mr. Ferguson: Further, it is interesting to note that our Canadian trade surplus for the month of May was $577 million. Of course, this is at a time when perhaps there is a reluctance to deal with some nations of the world that do not have the same sense of human or international values which we have in our society in this great nation.

As we look at the various comparisons against which we measure our performance, I will not say anything about this Thirty-second Parliament in comparison to the Thirty-first. Our legislative record to date speaks for itself. We will let

history be the judge in the years to come. But the comparisons worth noting are comparisons relating to our economy, our standards of living, our system of social welfare, and of course, in relation to Canada itself, comparisons to other countries of the world.

Canada is the greatest country in the world, the envy of the free world. However, bearing in mind that we are a young nation in comparison to other nations and cultures, we are a vast nation in geographical terms and a nation blessed with a diversity of potential, human and natural potential. By comparison to other countries of the industrialized free world, Canada's national debt in relation to gross national product in 1979 stood third best, well ahead of the United States, Britain and Italy. Over the ten-year average from 1968 to 1978, we stood second best among the nations of the industrialized free world in comparing our national debt to gross national product. It is an envious record, but it is based on sound economic management and firm direction by stable government.

But we cannot sit and let technology pass us by; nor can we on this side of the House accept the doom and gloom projections from across the floor. It reminds me of the children's story and Henny Penny when they shouted, "Run, run for your lives, the sky is falling". In spite of all the gloom and doom, by further comparison our trade surplus from May 1979 to May 1980 is more than double that of May 1979. In May 1979 our surplus was $258 million; in May 1980 it was $577 million, or more than double.

If we are to build a better economy in Canada, the businessman, in particular the small businessman, is the backbone or linchpin of this approach, quite simply because among Canadians he is the most dynamic, the person with the ideas, the risk taker. Any society founded on such qualities is certain to be able to improve its lot. Consequently it is quite obvious that small and medium-sized businesses are extremely important in all this industrial strategy for economic nationalism. If we look at the economic picture of Canada, 95 per cent of the exclusively Canadian firms consist of small and medium-sized businesses.

The Speech from the Throne recognized the need for active direction of the Canadian industrial economy so that it responds vigorously to the opportunities and challenges of the eighties. Our intent was acknowledged in that speech to develop economic policies which will provide jobs, spur growth, improve regional balance and promote Canadian ownership of the economy. We intend to capitalize on our energy base in order to build a world-competitive industrial sector.

To those members of the House who saw the premier showing of the film last week on the new Canadian plane, the Challenger, this is the type of a world-competitive industrial sector at which we are looking. I am referring to Canadair and especially the de Havilland Aircraft company with their Dash series. These planes are distinctly Canadian and have returned a sense of pride to our aircraft industry which was destroyed back in the 1960s when the Avro Arrow was scrapped. The Liberal government has provided the incentives and the means to rebuild this industry and restore the sense of pride that we Canadians are among the best in the world.

We intend to ensure the federal government is an active player in industrial development rather than a passive referee. We do not intend to disband our Crown corporations which have developed expertise and technology and then sell them back to Canadians who already own them, or worse still, allow them to fall into private hands that could in turn sell out to foreign corporations which would capitalize on our investments in the future.

Canada's research and technology capacity will be strengthened. We will be encouraging independent Canadian-owned enterprise. It is in this area that we have an exciting contribution to make to the world. Among those pieces of legislation passed by this Thirty-second Parliament are amendments to the Small Businesses Loans Act, the Federal Business Development Bank Act and the Farm Improvement Loans Act that provide the background of financing for our small business people and our farmers. But the exciting contribution is the potential of our renewable resources being used to feed a hungry world and to provide leadership, not only in food, which is a renewable resource, but in energy in a renewable form as well.

When we examine the agribusiness sector, we have to include the small business sector which provides 42 per cent of our Canadian employment in the private business sector. We must relate these to those small businesses providing the services to the agriculture industry. The manufacturing sector, the processors and the transportation sector all service this primary industry which contributed almost $14 billion to our economy in 1979. But of our total exports in 1979, only about 10 per cent were agricultural, or about $6.1 billion worth. As indicated in the Speech from the Throne, we will establish a Canadian agricultural export corporation to focus on areas of export potential, to allow our producers of Canada to work together as partners within confederation, to seek out new markets and offer continuity of supply of a quality product to other nations of the world on a long-term basis.

We are one of the few nations of the world that is a net exporter of food. We are the only nation with the legislative mechanisms which will enable us to plan our production to specific markets, either domestic or exports. The spin-off effects of such a venture will benefit all society by providing new jobs and opportunities in the whole agribusiness sector. One of those effects is that, in the long term, we will be able to bring the grain combine manufacturing plant at Brantford, Ontario back into full production.

As noted earlier, our farm cash receipts for 1979 were almost $14 billion and we exported $6.1 billion worth of food. By simple deduction this indicates Canadians must have consumed $7.9 billion worth of Canadian grown food. Based on farm gate prices in 1979, if we assume that each Canadian eats three meals a day, the farm gate cost per meal is 30 cents for food produced and consumed in Canada. This simple illustration should verify that Canadian farmers are the most efficient in the world. Provided with the mechanisms to sell as

Canadians, rather than as one province competing against another for foreign markets, we can expand our export sales and further increase our trade surplus.

I am pleased to point out that this concept, developed by people on this side of the House in consultation with producers and organizations, is endorsed by the Canadian Federation of Agriculture, and that endorsement is included in the submission which will be presented to members of the Standing Committee on Agriculture on July 16 of this week. This move alone is a step in the right direction to update our economic development policy.

● (1730)

Farmers in Canada are ambitious. They like to produce, and through the Canadian Agriculture Export Corporation we intend to give them that opportunity. Before I leave this topic of economic development, I would like to point out that the U.S. department of commerce has recently published a report on the investment intentions of foreign affiliates of U.S. companies. Evidently they intend to expend $11.3 billion in Canada in 1980. This fact alone indicates the confidence of other nations, brought about by the return of responsible and stable government in Canada. But we must exercise caution in this area to ensure that we expand Canadian controls over our economy while increasing the benefits to all Canadians.

In response to the hon. member for Kootenay West (Mr. Kristiansen), I believe that the minister has effectively outlined his intentions to beef up FIRA. Hon. members will recall that back in 1966 the U.S. government issued some direction for the guidance of U.S. multinationals and other investors. This led to the promulgation, partly as a defence measure, by the Canadian government of a set of guidelines for Canadian subsidiaries of foreign firms, the so-called Winters guidelines. In 1975 these guidelines were revised and updated and referred to as "New Principles of International Business Conduct". Both the 1966 and the 1975 versions outlined in general terms Canada's expectations of foreign-controlled enterprises in such matters as export effort, sourcing in Canada, and so on. Nor is Canada alone in this area.

Aside from the U.S. action in 1966, many other countries have from time to time provided guidance of this sort. Most significantly, the Organization for Economic Co-operation and Development which, as hon. members know, includes in its membership all non-communist developed countries, issued in 1976 guidelines for multinational enterprises. They place a good deal of stress on the need for foreign subsidiaries to observe and, as far as possible comply with, the policies and priorities of host country governments, that is to say, of the governments of the countries in which foreign subsidiaries carry on their operations. In a sense this provides a framework, if any is needed, for a measure of the type the Canadian government clearly has in mind and to which the minister so eloquently referred earlier today.

In closing, I would like to suggest that in total perspective Canada has a coherent economic development policy, and to those of us who have taken the time to make the comparison to which I referred earlier, and when we consider the proposals which I have included in these remarks today, Canada ranks among the leaders in the free world.

Mr. John Thomson (Calgary South): Mr. Speaker, I find it strange that the hon. member who last spoke would end his remarks on the note that Canada considers itself a world leader.

In looking at a press quotation of the OECD which was published the other day, they say with regard to Canada:

> As a result, some Canadian economists believe the OECD forecast to be slightly too optimistic, with a consensus developing that Canadian real GNP will actually decline by about 0.5 per cent in 1980.
>
> Nevertheless, the OECD forecast presents a gloomy picture of Canada's economic outlook.
>
> Canada is expected to be the only country of the seven major industrial nations, including the United States, Britain, France, West Germany, Italy and Japan, not to show a decline in its consumer price inflation rate over the coming 12 months.
>
> The OECD expects the inflation rate to rise to 10 per cent in the second half of 1980 and stay at that level in the first half of 1981.
>
> In addition, Canada will be the only one of the seven nations to show a deterioration in its current account balance during the 12-month period. Canada's current account deficit, which had narrowed to $4 billion at annual rates in the first half of 1980, is expected to be $7.4 billion during the 12 months ending next June 30.

It is hard for me to understand how the hon. member can say that this presents a very optimistic view as to where Canada is going. I heard the Minister of Industry, Trade and Commerce (Mr. Gray) say earlier what his government would do for Canada. I would like to ask him what this Liberal government has done to Canada over the last 15 years? I say that the Liberal government involvement in the Canadian economy over the last 15 years has ruined the Canadian economy. We are no longer competitive, and that is the problem with our trading position, which is deteriorating seriously and rapidly.

Our unemployment situation is deteriorating and is continuing to deteriorate through the policies of the Liberal government. It talks about economic nationalism. Economic nationalism is a sickness and a disease. The Liberal government believes that Canada can live as an island unto itself, that 24 million people can live in this world and be economic nationalists. That is absolute rubbish. This is the government which has given the Canadian people a national energy policy. What policy? It is a sham.

The only thing which the Liberal government, and particularly the Minister of Energy, Mines and Resources (Mr. Lalonde), have done is to fan the flames and to warn the provinces by comparing the actions of Alberta to the separatist motives in Quebec. That is certainly not a good way of going about getting the provinces to agree. The Minister of Transport (Mr. Pepin) has suggested that Alberta is engaged in a war over economic sovereignty and compared it with Quebec. Is it any wonder why westerners today cannot understand the federal government and its policies? Why is it that westerners must pay at least internationally competitive prices and, in many cases, more for commodities which are sold to them from eastern and central Canada, but they are not entitled to

fair commodity prices for their wheat and oil? What is fair about that?

At the same time hon. members opposite deny oil price increases to realistic levels. As a result they are scuttling economic development in Canada. As a matter of fact, with regard to the two mega projects which Alberta is trying to get off the ground, the Alsands project and the Cold Lake heavy oil project in Alberta, I am advised that the delay in these two projects is costing the Canadian economy $25 million every day.

The Prime Minister (Mr. Trudeau) has said that sharing is what Canada is all about. Alberta must share. The producing provinces—Alberta, British Columbia and Saskatchewan—must share with the rest of Canada. Since 1973 Alberta has forgone in excess of $17 billion in revenue as the result of underpricing of its oil. That happens to be worth $8,500 for every man, woman and child in the province of Alberta. That is sharing? The government of Alberta has every right to insist on a fair deal and a realistic price for its energy. It has every right to receive its legitimate share of the revenue. Surely it is not un-Canadian to defend this position, a position which it was guaranteed under the constitution of this country. It is defined in the British North America Act that the producing provinces shall have the right and are entitled to those resources. Now the government wants to change the rules in midstream. The hard part of it is that oil is a diminishing resource. Once it is gone, it cannot be replaced. It is like a capital resource and very different from manufacturing something. When that oil and gas are gone from Alberta, there will be nothing left but bald prairie. That is what the Liberal government is asking us to do—to be farmers and cattle raisers. They are telling us that when the oil is gone we must get back to raising cattle and growing corn. But we want something better than that, Mr. Speaker, a lot better, and we intend to use those funds for the benefit of all Canadians. We want to be part of a Canadian economy and we want to have an industrial base in Alberta: We are going to have it, Mr. Speaker.

● (1740)

There is an opportunity ahead of us. The Canadian economy is in difficulty in terms of balance of payments, in terms of trade, in terms of fiscal deficit. There is no aspect of our economy that is not in serious trouble and deteriorating. The Liberal government must bear responsibility for that. We have had 15 years of Liberal mismanagement.

But we have a chance, Mr. Speaker. Today Canada desperately needs an economic shot in the arm. We simply cannot afford to underutilize any major asset of the country. Western Canadian gas can do for the country what North Sea oil has done for Great Britain. Our large and enormously valuable gas reserves must be utilized for the benefit of all Canadians. It is important that we do not fumble the ball because we may not get another chance.

The Alaska natural gas pipeline is of absolutely crucial importance to the Canadian economy at this time. There is no project in the immediate future that has more economic significance for this country. It is absolutely essential that the pre-building of the western leg of the pipeline which is now being considered by the cabinet be approved immediately so that construction can proceed. With Canada moving quickly into a period of economic recession, and unemployment rising dramatically, and with a deteriorating balance of payments, we are fortunate to have the opportunity to build a pipeline at this time which is of such enormous importance to the Canadian economy not just in terms of the present economic impact but the future health of our economy for many years to come.

While the pre-build is vitally important in terms of the health of the oil and gas exploration industry, it is equally important in terms of jobs and economic activity in all parts of the country. It means a positive impact on our balance of payments amounting to $2 billion per year, and will reduce the federal fiscal deficit by an estimated $1 billion per year. In terms of employment the project will create, between 1980 and 1984, 150,000 man-years of employment. Out of this 150,000 man-years of employment, some 30,000 to 40,000 man-years will be in central Canada.

The new exports approved by the Conservative government in December, 1979, will improve Canada's balance of payments by $17 billion over eight years. Long-term results of this improved situation could be a strengthened Canadian dollar and lower interest rates.

The pre-build section of the line, the western leg, is estimated to cost $1.6 billion. Of this 90 per cent will be Canadian content. Distribution is as follows: B.C., $70 million; Alberta, $650 million; Saskatchewan and Manitoba, $360 million, and Ontario and Quebec, $360 million. Those are significant benefits at this time in the Canadian economy.

Natural gas exports are essential to make efficient use of our natural resource base. Opponents of gas exports express the view that exports are a threat to our future domestic natural gas supply. Opponents of new exports are concerned that additional exports could impair the future expansion of gas in the Canadian market. The Canadian market for gas is relatively small indeed compared to the enormous supplies of gas we have discovered.

As a result of increased gas prices between 1974 and 1980, substantial new discoveries of natural gas have been made. In the last six years drilling activity in western Canada and major improvements in technology have accelerated discoveries and substantially increased the amount of known reserves. Reliable industry sources claim that ultimate potential marketable gas will support a fifty-year supply from conventional producing areas of western Canada alone. The substantial increase in reserves has placed the gas industry in a surplus supply situation and the marketing of natural gas has become a major concern of the industry.

Because of these developments the National Energy Board has re-evaluated its figures for natural gas reserves in relation to foreseeable requirements. The National Energy Board estimated that 66.1 trillion cubic feet of established reserves remain in the conventional producing areas of Canada. We use

approximately one trillion cubic feet of gas per year in Canada. If the National Energy Board is correct, and surely it is technically equipped to make the assessment, we have 66 years' supply in the conventional producing areas of Canada today. In addition the National Energy Board estimates that there are ten trillion cubic feet in the Arctic Islands, five trillion cubic feet in the Mackenzie Delta-Beaufort Sea area, and three trillion cubic feet off Sable Island. These are discovered reserves. This does not include the "tight-gas" pools in western Alberta.

In December, 1979, the National Energy Board declared a total of 4.25 trillion cubic feet over a period of eight years as surplus to our domestic needs. The National Energy Board's decision to grant this export volume was on the basis of its valuation that the net benefits to Canada in terms of direct cash flows resulting from the export sale weighed against the alternative of keeping the gas in Canada for future domestic use to be $6.6 billion. In arriving at its decision to allow exports, the National Energy Board stated that the substantial net advantages to Canada from the exports outweighed any uncertainty associated with the security of future energy supplies. The Board stated that these new export volumes would achieve a balance such that adequate supplies for domestic requirements would be assured for a reasonable period into the future but that the level of reserves retention would not restrain the achievement of an appropriate rate of exploration and development.

Approval of the pre-build portion of the pipeline is vital because it will contribute to the financing and completion of the whole project, and the National Energy Board considers it to be in the public interest to dedicate the necessary export volumes until such time as Alaskan gas begins to flow.

The exports allowed through the pre-build section will provide an additional stimulus to the United States to speed up regulatory procedures and financing moves for the over-all pipeline—the Alaska portion and the northern border portion. Pre-building will also extend the timeframe for the construction phase of the entire pipeline project, making it easier for Canadian industry to schedule labour and equipment to meet the project's over-all requirements, and thus allowing increased Canadian content.

In addition, the northern section of the pipeline offers to Canada the advantage of providing future access to Canadian frontier reserves when these reserves prove to be deliverable in economic volumes. Those reserves are in the Mackenzie Delta and the Beaufort Sea.

There are presently 700 firms actively engaged in natural gas exploration in western Canada. A high percentage are independents, almost all Canadian owned, and most are young companies with little or no present production or cash flow.

Concern has been expressed by some, including myself, that many of these small companies with their valuable reserves of marketless gas are susceptible to take over by large American firms. In the last ten years over 100 such firms have been bought out by foreign-controlled firms. Gas exports will allow these firms the cash flow necessary to continue to explore for more oil and gas reserves. In 1979, 70 per cent of the exploration wells drilled in western Canada were drilled by these independents. Canadian content in the industry is rising rapidly, not by government decree but through the energy and skill of Canadian explorationists. The only factor that can interfere with the growth of Canadian independents is lack of markets, resulting in restriction of necessary cash flow.

• (1750)

Young independent companies are disproportionately injured by the present restriction in gas markets. I say disproportionately because it is the major oil and gas producers who are selling most of the gas at the moment, and the independents are in a position where they do not have a market for their new-found reserves. Without markets, these small Canadian independents cannot survive in Canada. There is probably not a single Canadian independent oil and gas exploration company today that has not dedicated a very large part of its budget to the United States, or is considering doing so. I wish to emphasize that I do not exaggerate. Mr. Speaker, it is serious and the reason is very simple. Gas and oil discoveries in the United States are immediately saleable. It will be a tragedy if the young Canadian exploration companies are driven out of Canada because of an inability to market their gas and develop cash flows. They do not want to leave, but they have no choice. I do not see how anyone can blame them for leaving Canada in order to survive.

Fifty-eight companies out of some 364 companies involved in the National Energy Board gas export decision will be making their first natural gas deliveries to the pre-built section of the Alaska gas pipeline. In conclusion, the building of the Alaska gas pipeline and exporting gas, surplus to our requirements, will improve the Canadian content of our oil and gas industry by strengthening Canadian producers. This will enable our Canadian producers to sustain the high levels of exploration activity to prove up additional reserves. Additional reserves will allow us to continue to price natural gas domestically on a subsidized basis at something like half of the export price.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but I must advise him that his allotted time has expired.

Mr. Thomson: May I ask for unanimous consent to continue because I need one minute to conclude my remarks?

The Acting Speaker (Mr. Ethier): Is there unanimous consent for the hon. member to conclude his remarks?

Some hon. Members: Agreed.

Mr. Thomson: In summary, the pre-build project will create Canadian investment and jobs throughout Canada. It will improve security of Canadian energy supply by allowing the industry to continue to explore aggressively. It will enable us to continue to subsidize lower domestic gas prices and it will provide a return on investment to Canadian investors.

The United States Congress has given Canada its assurance that the entire line will be built, and surely this should be sufficient for Canada to proceed immediately to approve the pre-build portion of the Alaska gas pipeline.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the debate today dealt mostly with the industrial aspects of the industrial strategy or the close relation between the field of energy and that of industrial strategy. The incentive to industrial growth and the promotion of energy policy are the two most important challenges which we will have to accept during the eighties and in the future.

I will remind the House however that the most important part of our over-all economic strategy for the eighties is not capital investments or the development of technology itself but human beings for whom our economy exists and without whom it would not operate.

The most important aspect of the directions we should adopt for the 1980s concern our endeavours in the field of human resources and manpower adaptation. Our studies have indicated that nothing is more crucial for the future performance of the Canadian economy than the means with which we adapt it so that it is possible to make efficient changes. That is essentially the role of the Canada Employment and Immigration Commission.

Of course, the economic society we dream of rests on fundamental needs. It must have the necessary mechanisms to produce the skills needed to face the demands of our future growth.

It must also provide the necessary income and direct aid in cases of adjustment to facilitate inevitable geographic and occupational changes. In particular, it must work for a number of groups in our society which would otherwise lose ground or not fare well and thus cease to be full-fledged and productive members of our society. Wherever and whenever there is a high unemployment rate, it must provide jobs and formal as well as on-the-job training in fields in which skills are required, to ensure that we get maximum benefits from the efficient evolution of our industrial policy.

The House will recognize that it will not be easy to attain such goals. To do so, we must be sure of the direction we have taken, the problems we have studied and the chances of success. We must also foresee adequate planning on the national and regional scale, and be determined as well not to relinquish our objectives once these have been singled out.

Mr. Speaker, this is why the government has decided to create a special committee on employment opportunities for the eighties. This committee, chaired by my colleague from Notre-Dame-de-Grâce, will concern itself especially with the dearth of personnel in skilled jobs as well as seeking the advice of the greatest number of interested people on other aspects of employment in the future.

[*English*]

Within employment and immigration, the labour market development task force is undertaking a fundamental review of the nature of the labour market and will work closely with the UI Review Task Force.

When these reviews are completed, the minister intends to establish the key directions for the remainder of the decade. It is, however, already clear that major changes are required. The government has already taken a number of steps to ensure that sound policies and programs related to human resources, people capital, are in place.

We have had, for over a decade, one of the strongest programs of adult occupational training in the western industrialized world. That program has provided retraining, and the upgrading of basic educational prerequisites to skilled training for many Canadians. It has provided language training to enable new immigrants to use the skills they bring to Canada, and it has played an essential role in assisting many, who would otherwise be condemned to poverty, to play productive and rewarding roles in our increasingly industrial society. Over the years the nature of the training provided has shifted toward a more industrial basis, and we expect that this year 55 per cent of the full time trainees will be undertaking apprenticeship or other forms of industrial training.

It is clear, however, that further changes and strengthening of the program are required. In too many of the trade skill areas Canada has been dependent on the now shrinking pool of foreign-trained tradesmen to supply our basic needs. We have been unable to ensure that our native people have the training required to take advantage of the economic opportunities which frequently arise in close proximity to them. We have found that our training programs have not been able to enable those women who wish to do so to break out of job ghettos.

That is why the Minister of Employment and Immigration last month announced new initiatives in these areas. The financial provision for the critical trade skills training program, which is designed to assist industry to generate the skills it finds in short supply, is being expanded from $20 million to $30 million this year. If industry is able to respond in the way we hope, that should constitute a significant step toward providing the high level blue-collar skills which we will need and people will require three, four and five years from now.

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

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until 8 p.m. this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

The Deputy Speaker: When the House took recess at six o'clock, the hon. member for Louis-Hébert (Mr. Dawson) had the floor.

Mr. Dawson: Mr. Speaker, as I pointed out this afternoon just before recess, when we talk of industrial strategy, it is important that we never forget the question of energy and particularly, because of the area I am concerned with, individuals, or, in other words, manpower training.

[*English*]

An additional $10 million will be provided this fiscal year for training our native people in both urban and more remote settings. This will enable them to take advantage of the immense opportunities that will be generated by our industrial and energy developments. We are now working with representatives of native organizations to see how these funds can best be used to create the job potential of native people, and, more than incidentally, help to provide the skills which will be required by western energy and industrial expansion.

To help counter the serious underrepresentation of women in many male dominated occupations, the government has developed an initiative which has stirred the interest of manpower authorities in other parts of the world. Some $2 million has been added to our normal industrial training program budget for this fiscal year to provide employers with an experimental 75 per cent premium to train women in skills and trades in which they represent less than one-tenth of the labour force. We hope that this assistance will induce employers to train up to 3,700 women this year in occupations in which women have traditionally been underrepresented. The program will be expanded next year if it is successful.

These initiatives in the training area—to increase the proportion of our training which takes place in an industrial setting, to increase directly and sharply the provision of high level skills through training, to ensure that our native people can benefit from opportunities, and to begin to right the under-representation of women in important and growing skill areas—are key steps which will serve us well through the 1980s. I wish to emphasize, however, that they are not being carried out in isolation. Important discussions have been held with representatives of some of our most dynamic industrial sectors, the aerospace industry, the petroleum-related industries, etc.

The enhanced revitalized training to which the government is committed cannot take place without the co-operation and drive of the business sector. A skill training strategy which helps industry do necessary training must be and is being carried out with the active collaboration of our key industrial sectors. That collaboration, of course, is a two-way street.

For many years substantial segments of Canadian industry have relied on their ability to attract skilled immigrants from abroad rather than taking the steps necessary to train and develop our own young people and women to meet industrial skill needs. In recent years it has become apparent that such a strategy, even if it were desirable, can no longer work.

Canada's expanding sectors and skill needs are frequently the same as those in other parts of the industrialized world. Rapid rates of productivity and real income growth abroad have brought standards of wages and living in many countries into the same range that we enjoy in Canada and the United States. Increasingly it is simply not possible to attract from abroad the skills that industry needs for the future.

We, and many expanding industrial sectors in Canada, face a dilemma. The types of skills which are most in shortage frequently take 3, 4, or even 5 years to produce. They must be planned for, and the investment in human resources made, long in advance of when they are needed. It is not possible or even realistic to suggest to firms that they should go without needed foreign skills now and wait for four years until they can properly train their own necessary workers.

The basic policy which has been adopted is not to deny firms the opportunity to recruit high skills abroad, but rather to ensure that firms which do seek to attract skilled people from abroad are also doing their fair share of training Canadians to meet future needs. We are, increasingly, asking firms to outline their future manpower plans and to demonstrate the adequacy of their investment in training as prerequisites to the recruitment of already trained persons from abroad. The result is that if the firm can attract persons in skill-short areas from abroad, it immediately gets what it needs, but it also makes provision to train unemployed or underemployed Canadians to fill whatever the future requirements may be.

● (2010)

I might add that, despite our need for skills, our growth is not always even. In a number of important technological areas the ability of Canadian post-secondary institutions to produce technically qualified people is, at least temporarily, running ahead of the ability of the private sector to utilize them. The new technology employment program is designed to fill that gap, by assisting private sector and non-profit research institutes to hire unemployed or underemployed recent technically qualified graduates in priority areas of endeavour. Through this program we expect to enable young Canadians to utilize the existing technological abilities they have developed and to further technological development and the application of technology. Among the priority areas for this program are microelectronics, biotechnology, communications technology, etc.

Training and development of Canadians is critical to our future industrial role and expansion but so is the ability to adjust to the changes which will be generated. Those changes will be considerable and far-reaching in their consequences.

We know that energy and related developments in western Canada will result in differentially rapid employment growth and rapidly-escalating skill needs in that area. We know that the altered pattern of growth between our industrial sectors will result in major changes in the level of opportunity which each can offer. And we know that those changes will not affect all Canadians equally. We know, further, that a wise and forward-looking society does not tolerate progress for some at the expense of others. Our employment and training and

financial adjustment policies must enable all Canadians as much as possible to benefit from the opportunities which lie before us. The unevenness of growth, caused by differential rates of expansion, cannot be allowed to leave human accidents in its wake. A blind policy of growth for the sake of growth could not succeed: an economic and industrial growth policy must take full account of the need to enable all Canadians to make the contribution of which they are capable.

We have, for instance, at the moment considerable signs of externally generated recession in much of the country while parts of our nation have full employment. The nature of the American downswing suggests that this pattern may continue for some months and even intensify. It is imperative that we, as a society, make provision for the stimulation of employment in areas and during times of slow growth as well as ensuring that we have a labour force which is adequately trained for the future.

The government is taking very considerable steps this year both to stimulate the employment of additional persons in industry and to bring about the development of jobs in the non-profit sector, particularly in areas of the country where jobs are more difficult to find.

The government is making available, under the Employment Tax Credit Act recently passed by Parliament, a further twelve months of direct wage assistance to industry to help expand employment, particularly in small business. This program, as members of the House know, was extremely successful last year with over 50,000 Canadians getting jobs, mostly in small businesses, as a direct result. We hope that despite the late passage of the bill the measure will make a considerable contribution this year as well. The subsidy offered varies from $1.50 an hour to $2 an hour, depending on the part of the country, and has proven to be highly successful particularly east of the Ottawa River. We hope that, with the support of organizations such as the chambers of commerce, it will play a major role this year as well.

It is clear, however, that a general measure of that kind cannot itself do the whole job. To help fill the gap, to create jobs in places and for groups of people who can be relatively little helped through business-related measures, the government has established the Canada Community Development and the Canada Community Services Programs. Although the Community Development Program will fund projects in all parts of the country, the funds will be concentrated in areas and on groups which suffer most from unemployment. Jobs will be provided in a wide range of federal and provincial priority activities so as to maximize the impact of the expenditures on our longer-run national goals. The Minister of Employment and Immigration (Mr. Axworthy) expects shortly to announce the distribution of those funds, the priorities which have been developed, and the details of the new program. It will result in jobs for over 19,000 additional Canadians this fall and winter.

A companion program, the Canada Community Services Program, will be of particular assistance in providing worthwhile jobs for relatively recent labour market entrants in the provision of important community-based services. The planned expenditures of up to $11 million this year should enable the initiation of a wide range of demonstration projects which will both provide employment and serve to fill many of the gaps in a range of community-based social services.

Many, however, of our most serious employment adjustment problems relate not to temporary shortages of work but rather to the extremely work-disadvantaged problems of many Canadians in the medium to longer term. These disadvantages may be a result of our geographic development or may be the social result of generations of exclusion from the main stream of economic growth. A sensible medium-term policy must provide employment development and jobs for such people and in such areas over the medium to long term as well as in the short run. It must be focused to meet local needs for growth, for training in work, and for work itself.

To help achieve that, we have progressively shifted resources from short-term job-creation programs such as Canada Works into the Local Employment Assistance Program which provides medium and long-term employment and training for groups of persons and in parts of the country which are extremely employment disadvantaged. Our financial provision for the LEAP program stands at over $70 million this year, with approximately half that amount being allocated to help meet the employment development needs of our native people. The LEAP program has become a primary vehicle through which we are able to assist the development of small-scale local employment opportunities of long-term benefit to people who most need them.

We have not, of course, neglected the need for private sector employment development in the long term as well. This year the government expects to initiate up to 20 Local Economic Development Assistance projects. Largely in small to medium-sized slow growth communities, the program will initially offer an opportunity to assess and articulate the prospects and possibilities for stimulating private sector employment growth. In its operational phase the LEDA program will enable such communities to provide small-scale financial assistance to small and medium-sized firms to expand or initiate businesses to provide more employment locally. If the pilot projects are able to achieve the success which we hope, the government will give consideration to a possible expansion of the program next year.

Mr. Baker (Nepean-Carleton): How do you know that?

Mr. Dawson: If it is a success we shall make a commitment to try to give it a bigger budget and make it a better and a bigger program next year.

Employment policy thus provides assistance to adjust to change both through the provision of immediate employment to meet immediate needs and, increasingly, through the provision of medium and long-term employment, often in the private sector, when that is what is required.

I should like to go on, Mr. Speaker, but I see you are on the edge of your chair. Many of the speeches tonight will be dealing with the same problems. We have to be sure, when we

talk about industrial strategy, that we give consideration to energy strategy and employment strategy as well.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I too, will be talking about science and technology and I hope members will stick around to listen because I might make a couple of prognostications and maybe even a wager to make before the night is over.

Research and development means economic progress through product innovations and improved productivity. It means social progress through new and improved medical techniques and through a better understanding of the world in which we live.

Total spending on research and development in Canada today is only .9 per cent of our gross national product, less than half the level of such industrialized nations as Switzerland, France, West Germany and the United States.

The evaluation of the Canadian dollar has given the scientific community an inflation rate that is significantly higher than the over-all national average, but in spite of this the government is contemplating removing the tariff protection on many research materials plus imposition of sales tax which will further add to the cost of research in Canada.

● (2020)

Many Canadian subsidiaries of U. S. firms are required to make payments to their parent companies for research and development done in the United States. In the automobile industry, for example, payments to parent companies for research and development amount to $375 million a year compared with the research and development spending they do in this country of only $5 million. Just think about that, Mr. Speaker; what a lovely free ride for foreign-controlled companies to employ their skilled people and scientists while Canadians pay their salaries! Oh, yes, we Canadians get to assemble their cars, cars which we did not design and which usually are not the best design for Canadian needs, but we do not get any of the real pay-back of world product mandate, royalty generation, and the things which add to Canada's real wealth. Not only does Canada have no part in the design of the cars, it is also prevented from getting its fair share of the manufacture of parts which go into the original models or even the repair parts which later keep them on the road.

In this case we are not hewers of wood and drawers of water, which is our normal situation; we are benders of steel and bolters of bolts, and that does not make us very much better.

It is very past due that we decide to take a firm position with foreign companies, not just to encourage them to do much more research in Canada, but even to force them to do so if they wish to continue enjoying the profits which accrue to them from their sales of products in Canada.

The history of this government, though, does not give us much encouragement to look forward to achieving such results. The Liberal record of research is as poor as the record of economic progress. Both are in the negative. If we were talking about inflation growth in Canada, we could point proudly to the government record. Even unemployment is something we could talk about, if we are looking for a high figure. We could find both in the 10 per cent range. When it comes to annual deficits, that is where this government is at its best. Its deficits are so big that even our ten times larger neighbour to the south has rejected them.

While the Liberal spending record is unsurpassed, the record of progress in economic development has been dismal. I suggest that the reason for this is that the massive spending which has been going on for years has been directed to the wrong things. Canada's wealth is being squandered on grants like LIP and FLIP, unemployment insurance payments and all the other things which help people to live without working, or to work in businesses which are not directly contributing to economic prosperity.

Research and development, which would create jobs instead of perpetuating unemployment, or which would produce goods and earn income for workers who produce those goods instead of paying them to sit idly while workers in other countries produce the goods for us, would be the way to direct spending. Isn't it interesting to look at the statistical evidence of the results of investment in high technology in countries which do that sort of thing rather than invest in the foot-slogging, back-breaking low technology areas and sectors such as we have in this country? For example, the high technology industry in this country which over the last 13 years have enjoyed an annual growth rate of 6.5 per cent compare very favourably against the low technology industries whose growth has been only 4.5 per cent. That is half again as much for the innovative companies. Another major help not only to those high technology companies themselves but also to the consumers of Canada is the ability of strong research-oriented companies to keep their prices down. Their prices in real terms grew at a rate of only 1.5 per cent per year compared with over double that, or 3.2 per cent, for non-innovative companies.

In summary, then, over a 13-year period research-intensive industries saw a 1.4 per cent greater employment growth, 2 per cent more real output, 9 per cent greater productivity—that is almost a whole percent—and yet they still were able to keep their prices down 1.7 per cent over low technology industries. Is it any wonder, then, that U.S. parent companies want to conduct substantial research and do it in their own country, particularly when they can even charge their Canadian subsidiaries to help pay the cost?

There is no point in the Minister of State for Science and Technology (Mr. Roberts) talking about carrying on the same old plans which have brought about the situation in the first place when research spending in Canada under successive Liberal governments has dropped from just below 1.5 per cent of gross national product to less than 1 per cent of gross national product. Now the government says it is targeting for 1.5 per cent of gross national product by 1985. Big deal! We had that much when the Prime Minister (Mr. Trudeau) took over the economic ruination of Canada.

Even if this Liberal government could reach 1.5 per cent by 1985—and I will predict right here and now for the record, timelessly inscribed in *Hansard*, that it will not even come close to 1.5 per cent by 1985—how would that compare with research spending by other major countries, particularly those which we regard as economic world leaders? Our present level of .9 per cent compares very unfavourably with the 2.4 per cent spent in the United States, the 2.1 per cent in the United Kingdom, the 2 per cent in West Germany, and the 1.7 per cent in Japan.

All the economically successful nations spend at least twice as much on research as we do. Can it be a coincidence that we continue to sell off our resources to pay for a standard of living which we have not earned, that we export our muscle power in order to buy back Japanese brain power, and that we continue to bolt together big American gas-guzzling cars which the Americans generously allow us to produce and then have us experience the massive unemployment in Canada's automotive industry while we continue to purchase the far better designed products of Japan and Germany, the Toyotas and the Volkswagens? It is not a coincidence that the countries which invest heavily in high technology create jobs for their citizens while ours are laid off.

Does our .9 per cent research spending compare well with other less developed nations? Well, you will be pleased to know, Mr. Speaker, that we are just clobbering some nations. For example, we are miles—sorry, kilometres—ahead of Spain, Portugal and Turkey. We have even managed to match Ireland and Italy, but that is where it ends. We do not even measure up to Iceland and Finland.

So, there you have it, Mr. Speaker. We have a disgraceful record of technological innovativeness by a bankrupt group of politicians, and it is this group to which the country looks for leadership in the next four years. The country looks for leadership from a group with a proven record of failure, from a group which must tinker with the constitution of Canada as a smokescreen to hide economic ineptness, a group which would rather argue about constitutional change instead of attitudinal change, about patriation while they deal in procrastination, about working formulas when they should be worrying about just plain working, and all of this in two languages, which probably will not work at all.

What can an opposition member say to a government which does not understand or cannot cope with the real problems of a nation? How can one get through to unimaginative or politically myopic minds which in the Trudeau years carried Canada to lower and lower levels of performance? Could I beg them to read the records and to learn from past mistakes? It is not my imagination; there are official records of lower technological growth, lower productivity, higher unemployment, bigger deficits and bigger debt, higher taxes, no plan for resource development, particularly in the critical area of petroleum energy, and perhaps most important of all, no development of a national will or purpose as exemplified by the appalling condition of our defence forces through lack of good equipment and far too few numbers both in the permanent and militia forces.

Instead of using the American technique of stimulation of high technology research and beneficial spin-off through defence purchasing, this government will reduce purchasing under DIP, the defence industry productivity program, from $31.5 million in 1979 to $26.5 million in 1980. All of this is a sad commentary on a country which in its infancy built a transcontinental railway as a national dream, for a country which built an inland seaway of tremendous magnitude, or for a country which called out to the rest of the world at Expo '67, "Look at Canada, the up and coming world beater". However, all of this was "PT" development, "prior to Trudeau".

● (2030)

Is there any hope that the new Trudeau government will put an unhyphenated Canada first and take the strong and urgently needed steps to develop the country's future in a manner which will instil a national sense of purpose, create thousands of new jobs for Canadian young people who want to work but find a faltering economy, a government which, having misled the Canadian public by promising cheap energy prices could redeem itself by now being honest and admit it was wrong and which chose to pay Mexicans $36 per barrel for all the oil they will sell us but would not pay fellow Canadians more than half that price and at the same time create jobs and investment opportunities here in Canada? Mr. Speaker, when did the Mexicans last invest in Canadian jobs? I suspect if oil were found in Quebec today, we would soon be at world prices.

I hope the Minister of Energy, Mines and Resources (Mr. Lalonde) can see his way clear to deal truthfully with the country and bring in not only the proper pricing formula for oil but also implement the dynamic action needed to capitalize on increased resource revenue to launch the tar sands plants and frontier drilling which will make us self-sufficient in energy by 1990.

Another grey area is industry, trade and commerce. In opposition the present minister declared that increased research and development should be a condition of helping Chrysler but it remained to the Ontario Progressive Conservative government to implement that condition in the Chrysler bail-out.

When will we stop hearing partisan political platitudes instead of constructive job-creating action from the Minister of Industry, Trade and Commerce (Mr. Gray), who personally represents one of the country's ridings most seriously affected by the huge job lay-offs caused by past Liberal industrial policy ineptness?

The third minister of the strike-out is the new Minister of State for Science and Technology. He comes to the plate wearing two hats and carrying two bats. Environment is his first preoccupation and, by working at that, he has managed to keep out of trouble in the vital field of research funding and development, that is, up until this week he kept out of trouble. But now, consistent with the total lack of research policy of past Liberal governments, the new minister who is not a

scientist, has voiced serious personal skepticism as to whether or not Canada should have anything to do with fusion energy development.

In spite of eminent scientists from the National Research Council declaring the great need for Canada to join other nations of the world in the costly but potentially highly rewarding field of cleaner, less polluting, renewable energy to be provided by fusion, the minister declares his doubts and Canada, instead of being inspired to another national goal, goes back to cutting wood.

The declared intention of the Ministry of State for Science and Technology is:

To encourage the development and use of science and technology in support of national goals.

The hon. member for Louis-Hebert (Mr. Dawson) has just alluded to the critical importance of technology to economic development and the creation of jobs.

But what are these national goals, other than the 1.5 per cent of gross national product which is only a spending benchmark and not a mission oriented or goal oriented one? Are these goals to be specific science goals such as putting a man on Mars, or developing the world's best information processing system, or solving the world's most pressing social problem, that of universal birth control?

Or are the goals financial ones, increased productivity in Canada and more efficient processing? Or will the long awaited industrial strategy define the goals as being the substantially increased processing of our natural resources and the Canadianizing of our industry by being the technological masters of it?

What are these lofty goals, the building blocks of a Canadian industrial and social purpose? To date the government has failed even to bring in a budget to tell Canadians what this year will hold for them, never mind this decade.

Mr. Speaker, you may well be asking if this criticism is not just talk. We are constantly reminded by the other side that we were the government for only seven months, under seven months, in fact. They told us that the $10.5 billion deficit we planned to bring in this year was a cruel joke on Canadians and would contribute to massive unemployment. They told us that our economic forecast of 1 per cent growth in the economy was terrible, and they criticized our energy pricing arrangements which would have started the greatest economic boom and job-creation opportunity which Canadians have ever seen. They did not notice the five-year science program to revitalize the training of Canadian scientists and the creation of home-grown innovation and technological upgrading which would have included 15,000 additional research opportunities and helped with our energy development.

You see, Mr. Speaker, unlike Liberal ad hoc, off the cuff, short range, expedient political action which varies with the changing political breeze, scientific planning and research requires long lead times and guaranteed funding. Such long-range planning will be of excellent benefit to the country in the vast technological development of new products and new production techniques which could make Canada an economic world leader with less than 5 per cent unemployment. What, may I ask, does 10 per cent unemployment relate to in this country of ours? Surely not to American unemployment, British, German or anyone else's unemployment. This is a country which has all the natural resources it could need, it has the energy to process those resources and the intelligence to do the whole job. Why should we be experiencing 10 per cent unemployment, even in these times?

But such long-range benefits do not pay off in votes at the polls, and this government's long-range plans seldom carry past the next election. Contrast the decade of decline in research spending under this government with the instant revitalizing done by the seven-month Conservative government which brought in a five-year plan for research funding and development and which has breathed new life into the Canadian science community.

Another accomplishment of the previous Conservative government which has gone unnoticed by the present government was the fact that unemployment had dropped almost a full percentage point, not seasonally adjusted, and that new housing starts, thanks to the mortgage tax credit scheme, coupled with the Small Businesses Loans Act, which has yet to be brought forward and may never be, which would have revitalized that extremely important job-sustaining element of our society, would have lowered unemployment levels even more.

They said they knew better how to run the country—and what has the government's first five months in office, after 18 years of tenure, produced? A $4 billion bigger deficit for 1980, higher and increasing unemployment, a first quarter growth—I should not call it growth, I should call it shrinkage—of 0.5 of 1 per cent, no energy-pricing agreement so that we may proceed with development and job creation, no industrial strategy, no comprehensive scientific policy to upgrade the skills of young Canadians and give them jobs, and no prospect of any of these in the foreseeable future.

Now they want the summer off. They want only to talk about constitutional change and hope that somehow the public of Canada will forget about Liberal failure during the next two summer months. Perhaps no one will notice the 2 per cent increase in home heating oil just sneaked through Parliament because they will not be buying it in the next two hot months. Perhaps they hope people will be so used to hearing about the increasing job lay-offs that they will not be furious with their government in the fall. Well, in two months' time when the House reconvenes, this government will have had seven months to achieve the miracles they have been unable to achieve throughout all the Trudeau years.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Gilchrist: You and I will be back, Mr. Speaker, to examine the record of another seven months of Liberal government. We will then be able to compare seven months of the Liberal government against seven months of the Conservative government. We will not mention that the Conservative government under the right hon. Leader of the Opposition (Mr. Clark) had to start from scratch. I have made these strong indictments in the hope it will shame or inspire the government to far better efforts for the good of Canada. We will just look at the seven months' record, and I will bet one hundred of highly inflated Liberal dollars after tax on the record of the big C. If you take that bet, Mr. Speaker, you will lose.

● (2040)

Mr. Russell MacLellan (Parliamentary Secretary to Minister of State, Mines): Mr. Speaker, it is my pleasure this evening to address some remarks to the allegation that the government has failed to develop a coherent economic development program. I should like to refer to a speech made by the Prime Minister (Mr. Trudeau) on February 12, 1980, in Toronto. He stated that the Liberals would capitalize on Canada's energy base in order to build a world competitive industrial sector.

One of the first things necessary in order to have a strong industrial base is to have a strong central government. In the last few years we in Canada have seen our federal administration gradually lose its power. This has been a source of a very, very high degree of concern to most Canadians. It has led to things such as one province stating to other provinces that it will restrict tradesmen and workers from coming into its jurisdiction offering their services for available jobs at any given time.

It would seem that also it is the intention of energy producing provinces in this country to maintain a large portion of the energy revenues they are able to obtain. I for one would not, nor would the government, ever begrudge energy producing provinces obtaining a large return on their energy resources. It is important that these provinces and areas that have depleting resources are in fact able to keep the momentum of their economic development going by widening the scope of the development of their future. However, it is also important that the government not accept producing provinces retaining vast amounts of energy and resources which would restrict other sectors of the country from obtaining a fair share of the economic activity and from in fact remaining viable producing regions of the country.

Let me take the case of Alberta. Certainly there is no resentment by the government or by myself that this province should be, for instance, the wealthiest province per capita and per resource income in the country. This is not a factor. Certainly no one in the government or on this side of the House would ever suggest that the economic surge of the west should be in any way impeded. As a member from an Atlantic region of this great country, it is not something that would make me say that we in our area should have equal returns from our resources as would a province such as Alberta. But in the future it is the hope of provinces such as Nova Scotia and Newfoundland that they too will be blessed with resources from energy potential. Certainly it would be the hope at that particular time that the federal government would assist these provinces in restructuring their manufacturing and processing to develop alternate sources of employment and enterprise to keep the momentum in these areas going.

Regardless of which provinces are the economic "have" provinces, we must never lose sight of the goal of reducing economic disparity and in fact hopefully doing away with economic disparity entirely. There are areas which were once sound financially. Industries were located in these particular areas. As these areas become more economically deprived, and as they went through times which were less fortunate economically, these industries became more vulnerable. Should these industries through some quirk fail to sustain the decline in economic activity in a particular region or in the country in general, then the industries which fail will not return to these areas when economic times become better. They will return to the larger urban areas, the more fortunate economic areas.

The areas which have suffered deprivation economically and whose privation in fact is accelerated by the loss of these very valuable assets will not get these assets back. This is one of the lessons we are learning from the monetarist theories in finance. If in fact we let happen whatever is going to happen, then we will encourage the centralization of economic activity in this country through ever-diminishing pockets of economic growth. In fact the rural areas will become diminished in their contribution to this country. The small community will diminish as an economic viability. This is something we cannot allow to happen.

The government has stated that it will use its energy wealth to create the basis for sustained and widespread industrial growth. To do this the federal government needs sufficient revenues and has developed two particular guidelines in this direction. The first one is that the price of oil in Canada should in some direct way reflect the costs of financing it. Second, the revenue-sharing system must be altered so as to ensure that the federal government now and in the future has sufficient revenue to allow it to carry out its basic responsibilities of economic stabilization and revenue equalization across the country. Certainly it is the government's aim.

The aim of increasing industrial prosperity across the country was stated in the Speech from the Throne. Energy-producing areas and economically successful areas, or areas which are increasing their economic strength, demand special attention from the federal government. This is realized by the government. In fact the federal government has acknowledged the needs of the west, the fact the west demands special attention and financing to meet its ever-increasing economic sphere of influence. I would go so far as to state in the House that if we as a country do not funnel more economic resources and financing into the western part of our country, then indeed we are making a very severe mistake.

The government indicated that increased industrial activity must take place in the west. Theirs is a depleting resource. Increased industrial activity in other fields is necessary if they are to achieve the required diversification to carry their eco-

nomic expansion well beyond the exploration of their energy resources. The increased economic activity outside the resource field is happening already in the west but to a lesser extent than we would like. Head offices are moving into that area, developers and skilled labourers are moving to the west.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I am trying to listen very carefully to what is being said by the hon. member for Cape Breton-The Sydneys (Mr. MacLellan). I find I am prevented from doing so by the incessant chatter of members of the NDP who seem to be holding a private conversation or a private caucus.

Mr. Deputy Speaker: Order. I would ask hon. members of the House to observe order. The hon. member for Cape Breton-The Sydneys (Mr. MacLellan) has the floor.

Mr. MacLellan: I thank the hon. member and you, Mr. Speaker. The development of the west in areas other than resource activity is happening to an extent but less than we would like to see in the country at the present time. Head offices are moving to that area, as are developers, skilled labour and so on. However, I would think that it is the intention of the provincial government in that area—and I know that it is the intention of the federal government—that manufacturing and processing industries establish in that very vital area of our country. This shift will include more dynamic industrial activity in that area. It is the definite aim of the federal government to add secondary processing and manufacturing industries to the resource base of that area.

● (2050)

Along with the development of the industrial base in the west, the government also recognizes that all Canadians should benefit as much as possible from the success of the energy-producing provinces, be they east or west. This policy includes, wherever possible, not letting the investment of Canadians, be that investment in their homes, industry or capital, dissipate through high energy costs or resulting in increased inflation. We must be cognizant at all times of the investment of the average Canadian in this country. We must protect those investments as they exist at the present time. It is not always possible, but it is something of which we must be mindful at all times.

The average Canadian has, for instance, placed a great deal of investment capital in his home. Many of these people have paid off their mortgages and own their homes without having to account to any financial institution or person whatsoever. If that home were to be reduced drastically in value, then a person would lose a life of saving and work, and the only thing that perhaps he has of any monetary value in this world. This is something which we must not forget.

It is with these thoughts in mind that the federal government has introduced other programs along these particular lines, with the idea of developing a coherent economic development policy. The government has committed itself to developing a realistic pricing formula for energy for Canadians. The government wants a revenue-sharing system which is structured in such a way that if the world price rises the national government has shares its needs in order to carry out its national responsibilities. The government seeks a price-incentive system which fosters rapid substitution of other forms of energy for oil. This is one of the reasons why the alternate energy committee was set up and mentioned in the Speech from the Throne.

This is why the government at the present time is fostering, as much as it possibly can, ways of immediately substituting natural gas for oil and of investing in coal areas in eastern and western Canada, to protect that valuable oil base. The government has also accelerated the development of indigenous supplies to develop supplies off the east coast of Canada and, until the supplies are brought ashore, to provide an assured foreign supply of oil to that region. That is why the government entered into the recent oil contract with Mexico and why it is so much concerned about ensuring that there is a definite oil supply for eastern Canada in any given winter. It will be monitoring the refineries to ensure that the information being provided to Canadians is in fact correct, and that incorrect information will not mean a winter of privation for eastern Canadians.

It is also important to ensure that the petroleum industry has the incentive to help achieve its energy goals, and that Canadian-owned and controlled firms play a larger role in the energy field of this country. This is why it is the target of the federal government to obtain 50 per cent Canadian ownership of that very valuable industry.

There has been a disturbing increase in company takeovers and the diversification of the oil companies into other economic activities and spheres of economic activity in this country. This is particularly alarming when one acknowledges that the energy-producing companies are in fact securing very valuable, very heavy and very much increased revenues from their source of activities, that they are not only in oil and gas but are now in coal and are branching out into other industries.

If one considers at the same time that the present economic climate has reduced the profitability in other areas of economic activity in this country, it is extremely easy for oil companies to buy up those companies when they are experiencing difficult times. That is why, along with the fact that a great percentage of the revenues from the oil and gas industry will funnel into other countries through dividend payments, we must as soon as possible strive to obtain a larger percentage of Candian ownership and control over our oil and gas industry.

It is also the reason why the federal government is putting such great emphasis on Petro-Canada. Petro-Canada is the foundation on which Canada will develop a large portion of its energy potential. This is why the federal government has granted to Petro-Canada an additional $80 million for investment purposes. Petro-Canada has played a large part in the development and bringing on stream of energy potential of eastern Canada, be it the natural gas off Sable Island or the oil and gas in the Hibernia region.

I submit that one cannot say that the government has failed to develop a coherent economic development policy. However,

if we are not careful, this economic development policy, through inactivity, unco-operative other levels of government and indifference of Canadians, will not be successful.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I know now that I am on the right track because the hon. member for Winnipeg North Centre (Mr. Knowles) is applauding.

Mr. Knowles: It is the red face.

Mr. Deans: It is the red face, is it? I have listened intermittently to the debate this afternoon and this evening. If one looks at the motion one cannot help but think how unfortunate it is that the vehicle which we use in order to discuss what Canada's future is likely to be is an opposition motion, before we get around to talking about the economic development which most of us would like to see, the way in which that economic development might be brought about, and the kind of benefits we would hope to derive on behalf of the people of Canada in the short term and the long term.

What we should be talking about and we have been talking about in part is the basic criteria which must be put in place in order to offset the problems which have arisen as the result of the attitude which has become evident through the succession of Liberal and Conservative governments over the last 20 years. It is time to say quite bluntly that we need no more tinkering with the economy, that it is time for us to look at the fundamental aspects of Canada's economy, to make some decisions about what we hope to achieve and how we intend to achieve those hopes.

There have been many changes over the past few years. I have listened particularly to government supporters enumerating the very many government measures which have been introduced. I am prepared to concede that some of these measures have resulted in a degree of success which makes them worth while. However, I think it is fair to say that if one were to judge the state of economy today as it affects the average individual, one would come to the conclusion that Canada's economy in 1980 is not as strong as Canada's economy was in 1970, and that in 1970 it was weaker than it was in 1960.

On balance, we have lost control, if we ever had control, and we have failed to put in place the long-term control mechanisms which are required if we are to derive the maximum benefits.

● (2100)

Why would we worry about the economy? Why not just let it take its course? Why bother? I think, to begin with, the reason is that we have the responsibility here in the House of Commons to put in place the policy measures which will bring about the long-term best results for the majority of Canadians. The economy is made up, I suppose in essence, of labour and capital. Labour does not really understand capital very well. Capital fails to understand the needs and the ambition of labour.

One of the primary cornerstones of any discussion, particularly any discussion about the future of the country, is that we have to set as a principal objective that all of the planning must include an understanding of the kind of community that we want. We want jobs. We want jobs that are safe and secure and reasonably well paid, rewarding both financially and personally.

From the point of view of capital we come to the conclusion—from what has been happening and in reading the financial pages of the many journals that are published, and many in the House of Commons see capital as an end in itself—that the making of money is in itself a worth-while endeavour.

As a nation and as a House of Commons I think we have to look at capital as a resource not unlike gold, oil or wheat. Capital is a means to serve a community's interest. The flow of capital is seen, therefore, like the flow of other raw materials. When we export capital, as we do in large amounts year after year, as opposed to exporting finished goods, we are exporting jobs. As we look at capital in all of its grandeur we have to recognize that it is only when it is put to use in Canada, to develop Canada for Canadians, that it serves a useful purpose.

It is a bit mind-boggling, as one who is not a financial expert, to read in the local papers day after day at times when plants are closing, when people are being laid off, when mortgage foreclosing is taking place and when small business is suffering considerably at the hands of large capital, that the major corporate sector is making more profit today than it ever has in its history. Why is this happening? What is it about the imbalance that has developed in our country? Why does this happen at a time when everyone is feeling the pinch and people are unable to find employment, for instance, the young people who cannot find employment, people who are laid off, where whole communities are down—Windsor is a good example of this—but there are many others all across the country? Why is it that as you read that on one page, you then turn over and read that the third quarter, the second quarter or the first quarter profit margins in industry after industry, sector after sector, are higher than ever before? We should ask ourselves the question are we using the capital generated in a way that will be beneficial for my children, your children, your grandchildren—children that we do not even know—who are going to have to live in a country that we leave for them?

As we begin to look at the economy and the development of Canada, we have to decide that all of the good intentions in the world will not change it. All of the wishing in the world will not change it either. A bit of tinkering by the government from time to time will prove beneficial in a marginal way, but in the long run it will not prove to be of any benefit.

We should approach a revitalization of the economy on a sectoral basis. For the purposes of my argument I have identified nine sectors that should be looked at. We must take a serious look at the depletable non-renewable natural resource sector. We must take a look at what I call, for the want of a better term, the accommodation sector. That includes commercial, industrial and private accommodation. We must take

a look at the communications sector in Canada. We must take a look at transportation as a sector and all of its ramifications. We must look at manufacturing as a sector. We must look as a sector at agriculture, food, fishing and forestry because they are renewable resources. We must take a look at tourism as a sector. This is one of the least developed and yet it has considerable potential. We must look at what can be done about it. We must look at energy likewise. And finally we must look at finance as a sector of the economy. So we have nine of them.

In natural resources we have to look at what we have done over the years with the resources that were left to us, that belong to us, from which we are entitled to see some benefit. After years and years of Liberal and Conservative administration we see that we have received little if anything in the way of tangible benefits from the exploitation of our mineral resources. I tell members to travel across the northern part of this country or travel across northern Ontario, if you do not want to go very far, and you will see community after community that was reliant on a mine or on a sawmill which has long since gone by the way. One can see homes that were owned by individuals who lost everything that they had put into them. One can see communities that died because there was no effort made to put back into those communities something that would last and provide some stability for the future.

We have seen the exploitation by foreign interests of our resources, in other words, the taking of those resources from this country to other parts of the world in the raw and semi-raw state and manufactured into the very things that we ourselves must buy. We have seen the value added benefit that we should have received, because they were our resources, accruing to another part of the world. We have seen workers in those countries getting the benefit of the better paying jobs and the benefit of research and development, while our workers ended up working in the mines. This has resulted in our country putting up with pollution, facing the acid rain problem, facing the health risks and, in other words, Canada having to take the short end and receiving little, if anything, in the way of tax dollars from the very resource which belonged to us. For years, year after year, this has gone on. We have seen the export of capital in the resource sector. As Canadian ore deposits decline we see Inco using the capital which resulted from the development of Canada going into Indonesia, and using government capital to go into Indonesia to develop similar kinds of things in that part of the world.

In the area of accommodation, we have had numerous studies but no action on the question of land use, on the question of foreign ownership of land, on the question of adequate industrial use against agricultural land and the loss of agricultural land. We have had discussion and study on regional relocation, and in particular DREE's role, for example, in the relocation of industry. But what have we seen by way of concrete policy that defines what the government's role will be and how, if at all, we are going to try to develop new industry rather than simply shift the pieces around as one might in a chess game? By shifting the pieces around one creates unemployment in one part of the country while trying to create employment in another. That is the kind of policy we are seeing. We have yet to see a statement from the government on housing. Housing is a right. It is the right of everyone to be able to have a decent place to live at a price he or she can afford.

I heard my colleague in the Liberal party who sat down recently saying that people have this investment in their homes and therefore cannot afford to see the value of the home depreciate or go down. Yet the truth of the matter is that it was the policy of the Liberal government in the early and middle 1960s that drove up the price of housing. It was the policy of this government that floated interest rates and did away with fixed term mortgages that drove up the price of housing which caused immeasurable hardship. Today we are feeling the toll of it. Today we are suffering as a result of it.

Where are the policies to deal with that? We have seen the ongoing debate, *ad nauseam* perhaps in some people's view, but nevertheless necessary on the matter of interest rates and who should control them. It is quite obvious to me that the government must, through the Bank of Canada, if need be, but certainly through the Minister of Finance (Mr. MacEachen), have control over interest rates.

I come now to communication, an area of high technology and excellent potential for growth. We see Ottawa and Winnipeg battling over the computer chip industry at a time when there should be some direction and effort made to co-ordinate the industry and get our potential developed and into the world marketplace. We see the kinds of things Bell Canada has done as it affects CBC in communications where the more profitable parts are cut off and given to the private sector, thereby making it necessary for the taxpayer to carry a larger burden. There is no way that makes sense.

● (2110)

There is no rational approach to transportation, no attempt to use the public area in transportation to offset the very high costs of fuel. There is no attempt to electrify when electrification makes sense, and no attempt to use the indigenous transportation methods available to us such as the seaway that could be used to much greater extent than it has in the past. There is very little effort to develop a sensible and convenient passenger transportation system on ground rather than using private vehicles. We need a review of the transportation sector.

The manufacturing sector is the fifth of the nine sectors I want to discuss briefly. We see absolute failure in this sector. It is hard to believe that the government would watch while the auto industry decays before its eyes. It is disintegrating. The whole manufacturing sector of the auto industry is under severe pressure at the very time the Minister of Industry, Trade and Commerce (Mr. Gray) takes another jaunt to Washington. When he gets there he cannot find anyone who feels badly about what is happening to Canada. While he is there, however, the Ford Motor Company and American Motors are entering into agreements with Toyota, Mazda, and Peugeot to manufacture their products in Canada.

Where is our share, Mr. Speaker? Do you hear any talk about our share of manufacturing or our share of the components industry? We never hear of this from the government and you never hear it from outside either. If you do not push for it you do not get it. We do not push, therefore, we will not get it.

This is going to be the new way of doing things, however. You can see it coming. The Ford Motor Company has made it quite clear that they hope to enter into an agreement with Toyota in the near future. The agreement will mean that Toyota vehicles will be manufactured in the United States. The component parts will also be manufactured there. AMC has indicated that they have a similar agreement and are about to do the same thing. The small car will be manufactured on the North American continent—but where will our share be, Mr. Speaker? When will we hear the government address this and many other problems of the manufacturing sector? It is a sector that has been sorely neglected and which, to a large extent, is controlled by the subsidiary operation, or the parent company in other parts of the world but primarily in the United States. When things do not go well at home they do not look to Canada and say there is a good operation there that they want to keep going. Rather, they take the operation out of Canada and put it back near the parent company because they have an obligation to the government and the community in which the head office is situated.

We all know the end result, having seen it happen over the last few months. A number of companies closed down, not because they were not efficient and not because the workers were not producing—not because there was not a market for the product, but because they wanted to do the manufacturing at home. That was what was in the best interests of the United States economy. That is the kind of manufacturing sector we have, without any degree of economy or any opportunity to enter world markets. It is influenced, if not controlled, by the extraterritorial application of corporate law. I suggest that is another area we should be examining, Mr. Speaker.

Tourism is another area to which we must give some attention. We must learn to take advantage of the tremendous natural tourist attractions that we have in this country. The other day I drove from Ottawa to Hamilton. As I drove through the St. Lawrence area, past Brockville and on to Hamilton, I could not but remark how wonderful and marvellous it was. It is breathtaking, Mr. Speaker, yet we do not have a co-ordinated tourist promotion program. The government does not appear to be interested in it, yet it provides a grand opportunity for capital flow into Canada and a chance to reverse some of the trends.

The discussion goes on about energy, of course. Some of our colleagues, representing Alberta and other places, speak about the need to go to world prices. We have to ask ourselves why we should go to world prices. Just because someone in Saudi Arabia, Iran, Iraq or Egypt decides to hold us to ransom, does that mean we have to pay the same ransom to our own family? Surely to heaven it can be seen clearly that we ought to be doing the same thing these other countries are doing in an effort to develop their industry and their economy. We should be using the money to make the transition that must be made from a heavy reliance on oil to other energy resources, but we are not doing that. We should be talking about a pipeline from west to east rather than from north to south.

We should be talking about an integrated energy policy that takes into account not only petroleum based products but also electricity and all the other methods of developing energy. We need an infrastructure that allows for the transition that must take place from our heavy reliance on petroleum based energy to a more readily renewable resource. We are not doing that and, indeed, we are not even talking about it. We are still caught up in the debate about whether we should be paying $36 per barrel, what we should be doing with the money, how much should be going to the companies, how much should be going to Alberta and how much should be coming to the federal treasury, without any discussion about what is in the best interests of Canada as a whole.

Then there is the question of finance and all the problems we have seen in the recent discussion of the Bank Act and the way interest rates have been manipulated. People have lost their homes because of that manipulation, and people have lost their businesses because they could not afford to pay for the inventory they had to carry.

The high cost of money has made it virtually impossible for expansion to take place in the industrial marketplace, because people cannot afford to pay the high cost. There is no clear direction from the government, however, on what its fiscal or financial policy is. We end up with a void caused by inaction. Inaction in itself breeds lethargy and lethargy means higher costs, because those who are not so scrupulous take advantage of the circumstances.

I want to suggest, Mr. Speaker, that there are some things we might do, and I shall be brief. There are nine areas of concern. We might divide the House of Commons into nine committees and give each of those nine committees responsibility—

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

Some hon. Members: No.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, as soon as the boys in the NDP settle their little row, we will get on with the evening's events.

Mr. Wilson: Mr. Speaker, could we go back to Ian?

Mr. Simmons: I realize that what the NDP member was saying may be more pleasing to Tory ears than what they will hear me say in a few minutes. Even the NDP agrees with that, Mr. Speaker.

I have been forced to go back to the motion to find out what we are debating. I have listened with some interest this after-

noon and this evening to the opposition spokesman in this particular debate. It has been a very worth-while exercise to try to deduce what the subject is from what they are saying. Nothing has been said thus far that would indicate to me that we ought to be talking about the government's alleged "failure to develop and implement a coherent economic development policy."

The least the House could expect from hon. members opposite is that they address themselves to that subject at least once or twice during their remarks, but their batting average on that one tonight is absolutely zero. They have done all the right things, the Tory and the NDP spokesmen, without exception. They did the predictable this afternoon and this evening. They indulged in a veritable orgy of condemnation. They tell us that everything is wrong in this country, there is nothing right any more. Even one Tory agrees with me.

● (2120)

Mr. Wilson: No.

Mr. Simmons: Do I see two?

Mr. Wilson: No.

Mr. Simmons: They do the predictable, the usual business, the orgy of words, the orgy of condemnation, the wrath. They are all worked up, in true Pavlovian style. Once again they perform their little simplistic act to win the approbation of those in the seats next to them. What about the subject at hand? Where is the evidence? Why do they not give us some evidence? Why do they not cite some evidence about this alleged failure to which the hon. member for Calgary Centre (Mr. Andre) has drawn our attention? Where is it? Another thing I noticed this afternoon and this evening—

Mr. Wilson: When were you here?

Mr. Simmons: I would not expect the hon. member to know what I am talking about.

Some hon. Members: Oh, oh!

Mr. Simmons: They are tender tonight. They have lost their leader.

Mr. Nystrom: Which leader?

Mr. Simmons: That is what we are all asking. Where is the hon. member for St. John's West (Mr. Crosbie) these days, the real leader?

Miss MacDonald: Where is the Minister of Finance?

Mr. Simmons: Up she goes!

Miss MacDonald: Is he out sucking his sore thumb?

Mr. Kempling: He is sucking his thumb again, is he?

Mr. Simmons: Their heart is not in it.

Mr. Kempling: Your foot is in it.

Mr. Simmons: That is what I noticed this afternoon and this evening. They stand up and go through the motions. We got them up to say a few words because they had to punch the day. It was an opposition day, one which the Leader of the Opposition (Mr. Clark) begged for last week. Where is he now if he wants to talk about so-called economic failure?

Miss MacDonald: Where's MacEachen?

Mr. Simmons: The Minister of Finance (Mr. MacEachen) has a very good reason to not be here, as the hon. member knows. I have finally found something to incite the hon. member for Kingston and the Islands (Miss MacDonald). This evening they stand and go through the motions, but their heart is not in it. Why, Mr. Speaker?

Mr. Kempling: That is three times you have said that.

Mr. Simmons: I have to say it four, five, six, seven times for some people.

Mr. Wilson: On a point of order, I am really standing on a point of order to allow the hon. member opposite to get hold of his emotions. He started off on three, possibly four different points and he has not been able to continue any point to its proper conclusion. I would like to allow him the time to rethink his thoughts so that he might make that point which is so telling and so important.

Mr. Deputy Speaker: Order.

Mr. Simmons: I say to the hon. member for Etobicoke Centre (Mr. Wilson) that even the Speaker thinks he is making a fool of himself. He should keep his mouth shut so that some doubt will remain. If he opens it, there will be no doubt at all. I advise him to listen. He might even learn something.

Mr. Wilson: From you? Never!

Mr. Simmons: Being in an instructive mood tonight, as I am, I will go over my three or four points again. I thought I was dealing with some reasonably intelligent people. I admit that I assumed that I had a fairly sophisticated group of listeners and would be able to move rather quickly. For the hon. member for Etobicoke Centre, and my apologies to the rest who understood, I will cover the points again. Then I will give to him, in writing, explanatory notes. Who knows, he might understand them.

Mr. Wilson: One.

Mr. Simmons: One, where is the evidence of this alleged failure by this government to have an economic policy? Where is it? I have not heard one shred of evidence this afternoon or this evening. There were a lot of tactics, and I heard a lot of wind and hot air. However, I did not hear one shred of evidence about any lack of an economic development policy, not one.

I ask the hon. member for Etobicoke Centre, does he understand point number one before I move on to point number two?

Mr. Wilson: Two?

Mr. Simmons: There are only two. I have said them twice. I say for the benefit of the hon. member for Etobicoke Centre, as I have given up on the hon. member for Burlington (Mr. Kempling) who is about to give up on himself, I believe—

Mr. Kempling: The golden age of b.s.

Mr. Simmons: The second point, for the hon. member for Etobicoke Centre—

Mr. Wilson: You have not completed the first one.

Mr. Simmons: Why is their heart not in it? Why are they going through the motions? The stomach has gone out of them; their heart is not in it. They cannot even get up for the fight any more. They are still living the night before February 18. They cannot accept what is the case. This is July. This government has been in power for a number of months, but they are still living in the past. They are still wishing their lives away. I finally said something the hon. member for Etobicoke Centre understands.

The hon. member for Hamilton Mountain (Mr. Deans) is gone. I had hoped to have a few words with him.

An hon. Member: You are driving us out of here.

Mr. Simmons: We are going to drive a lot more of you out of here next election day. In the meantime, stick around.

An hon. Member: Come to Burnaby.

Mr. Simmons: If that's an invitation, I will work on it. My good friend for Etobicoke Centre is still having trouble getting beyond one. Two comes next, then three. I will talk to the hon. member later about the rest of it. A few moments ago the hon. member for Hamilton Mountain, and I hope he is within hearing distance of my voice, attempted to rouse himself, to bring himself up for the occasion. He tried to give an example. What did he do? He dragged out good old tourism, good old motherhood. What did he say? With expanded chest and full height, he stood up and said, "We have not yet really explored all our potential in the tourist industry." Isn't that brilliant? Isn't that something new and novel? Should he not rush out and have it copyrighted? "We have not exhausted our potential in the tourist industry." That is clear evidence of our failure on this side, that we have not gone out and done all that we could do in the tourist industry.

The hon. member rested his case on that. That is our sin, that we have not done all the job yet, that we are only getting on with it. We have not done it all. That is the indictment he hurls our way. That was the most vile thing he could say about us over here, that we have not completely exhausted all the avenues in terms of tourism.

Some hon. Members: Oh, oh!

Mr. Simmons: They are happy tonight, Mr. Speaker. They look at me. They should be happy, their leader is not here. They are reasonably happy.

Mr. Kempling: Where is Trudeau? Where is MacEachen? Where is Gray? Where are all the economic brains?

Mr. Simmons: I do wish, Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Simmons: As soon as they are ready. We have all the time in the world. I do wish the hon. member for Hamilton Mountain were here because I want to respond to a couple of the points he made. At one point he lamented the fact that this debate on economic development should be taking place on an opposition motion. I happen to agree with him there. It is unfortunate that the only time we hear a debate in this House—I say, "debate" as opposed to statements—is on a motion such as this about economic development. And why? That is what I ask myself every day during the question period when I sit here and watch, and watch—

• (2130)

Miss MacDonald: And watch?

Mr. Simmons: —and watch!

Some hon. Members: Oh, oh!

Mr. Simmons: The hon. member for Kingston and the Islands is trying desperately but not very successfully to make cheap political points. She does not even do that very well. Where is all her concern for economic development, then? Where is the concern of the hon. member for Hamilton Mountain? If they want to talk about economic development, let them raise some of these matters in the question period or inject it in any number of debates, for instance, on Bill C-30, the borrowing bill, or in discussion of Bill C-3. There are lots of opportunities.

Opposition speakers tell us tonight that the only time we can talk about economic affairs is on an opposition motion. That may well be the case because in very real measure it is the opposition in this House, as in any other, which to a large degree sets the tone and content of the debates. If they choose during the question period to attempt to make cheap political points, that is their problem rather than ours. We have a number of answers for them. We do not have them all, but we are working on those.

Some hon. Members: Oh, oh!

Mr. Simmons: We have a number of the answers but they are afraid to ask the questions.

According to the hon. member for Hamilton Mountain, if I may quote him, "It is time to say we need no more tinkering with the economy". This is a welcome announcement. I was glad to hear an NDP spokesman tell us we needed no more

tinkering with the economy. It is welcome news, because we on this side happen to believe the same thing.

Mr. Kempling: He meant making a mess of things.

Mr. Simmons: The hon. member for Burlington (Mr. Kempling) knows all about making a mess of things. He would know a lot about that. The hon. member for Hamilton Mountain recommended no more tinkering with the economy. Here, once again, the batting average of the NDP is 1,000. They have managed to get on both sides of this issue, too, because during the election campaign they were advocating a great deal of tinkering—they wanted to take over everything and run the whole show. Even since, I have heard some of them imply that the government could do it better than private industry. They want to run the goose that lays the golden eggs clean out of the country.

Mr. Speaker, if we are to have any success with economic development policies the full co-operation of a lot of people is required, including industry which has not in any shape or form pulled its weight as far as research and development is concerned. We have goals which we should like to see achieved.

An hon. Member: What are they?

Mr. Simmons: I abjectly apologize to the fairly sophisticated members of the opposition who are sitting over there at the present time, but I am still pursuing my mandate of a few minutes ago when at the request of the hon. member for Etobicoke Centre I undertook to repeat everything two or three times. If it is no longer operative, would the hon. member release me from that obligation so that I could get back to some adult talk?

Mr. Wilson: What are these clearly stated objectives?

Mr. Simmons: Aha! One of them clearly is to see to it that the national expenditures on research and development are raised to 1.5 per cent of GNP by the mid-1980s. Now there is an objective for you! That is a commitment. But, to carry it out, we need—and I will explain number one to the hon. gentleman first; we have discovered that we have to revert back to the game plan—to achieve that objective we need the co-operation of industry which has not been pulling its weight on this particular commitment, Mr. Speaker. We are hoping this will change. We are hoping to get the message out. I agree that it has to be said not once, but twice and several times so industry understands.

Mr. Kempling: Say something thoughtful.

Mr. Simmons: I will give the hon. member for Burlington one single sentence, with thought. But he must give me an undertaking that he will get somebody to explain it to him.

Some hon. Members: Oh, oh!

Mr. Simmons: Now, Mr. Speaker, let me turn to the notes I have here.

Mr. Deputy Speaker: The hon. member's time has expired.

Some hon. Members: Hooray!

Mr. Knowles: Does that mean I shall have no opportunity to ask him a question?

Mr. Otto Jelinek (Halton): Mr. Speaker, it was not my intention to respond to the hon. member who has just resumed his seat. But I must.

An hon. Member: There was nothing to respond to.

Mr. Jelinek: There was one thing he said in the 20 minutes allotted to him, and I wrote it down because he repeated it so often. He said that the official opposition does not have its heart in what it is doing because we cannot come up with any evidence which demonstrates a lack of an economic policy by the Liberal government. He nods his head in agreement. Well, I will tell him something. My heart is in it, and so is the heart of every member on this side.

Some hon. Members: Hear, hear!

Mr. Jelinek: Our hearts are in it because we know that Canada, with all the potential it has, is the richest nation per capita in natural resources, the richest nation in human resources, the richest nation in economic possibilities. Yet what has happened? I will tell the hon. member what has happened. He says he wants facts. Well, in 1970 Canada was the third richest nation in the world, behind only Sweden and the United States. But by 1978 we had fallen to eleventh place under the Trudeau government, and we are falling even faster.

I will tell him a few more things. Federal government spending, for example, will be $60 billion this year. The spending deficit will be $14 billion. The total gross national debt is $105 billion. Interest on debt now costs the taxpayers of Canada $11 billion annually. These numbers are too large for many Canadians to relate to in a meaningful way. If they are broken down, however, their magnitude becomes more meaningful, and I will break them down for the hon. member and for the record because this is the incompetence of ten, 12 or 15 years of Liberal administration. These are facts and figures. The hon. member says our hearts are not in it. They are because we know the potential future Canada has. However, it has been demonstrated that that potential cannot be reached with a Liberal administration continuing to run the country to the ground the way it has been.

● (2140)

To break down those big figures which are so difficult for that hon. member to understand, government spending, for example, will equal $6,800 per taxpayer in this current year, 1980-81. This compares to only $1,600 per taxpayer just over a decade ago, the year before the Prime Minister (Mr. Trudeau) took office. On a per capita basis government spending this year will amount to $2,492 per man, woman and child in Canada, and it was only just over $500 ten years ago. Government spending is now almost five times greater than it was

when the Prime Minister first took office. These are some of the statistics.

The government's total debt is the equivalent of $11,970 per taxpayer. That is just the debt. I am trying to give that hon. member these facts and statistics. In private industry, an enterprise with revenue which only equalled 76 per cent of expenditures and gross debt that was more than double the value of its net assets would be forced into receivership. However, the federal government cannot declare bankruptcy. It has no place to file. The Liberal government just borrows more and prints more, which only goes to feed inflation. Yet what is the Liberal administration considering at this point in time? Well, the Trudeau government is considering an end to the indexation of the personal income tax system. In fact the Liberals want us to pay for their financial sins. A typical taxpayer earning $20,000 annually would see his taxes rise by $1,564 between now and 1985, and lower income families would proportionately suffer even more.

And for what? For the exorbitant spending habits of the government. That is for what. For example, in 1978 the federal government spent $7 million on food, booze and entertainment. That is almost $20,000 per day. Expressed another way, that is the equivalent—and perhaps the hon. member will be interested in this—of 70,000 cases of liquor. The list goes on and on, and I will drop that part of my statement right now.

I just wanted to satisfy the hon. member, who came up with those ridiculous statements during his 20 minutes telling us that there is no concrete evidence to show the mismanagement of the Liberal administration and the fact that the Liberal administration has not developed any economic development programs. It has not. In fact I had hoped that after the Quebec referendum was over and the constitutional debate got under way, which it now is, the Liberal administration would settle down and begin to deal with economic problems. Although constitutional changes are necessary and important, it is my belief that the economy is still the number one concern of every Canadian, and I also believe that unless and until many economic problems and questions are resolved, regional differences are going to continue to grow regardless of how many constitutional debates are taking place.

But what happens? There has been no budget. A budget is the basis for an economic development program, but there has not been one. On April 21 there was a so-called mini-budget, and that mini-budget leaped beyond all precedents and denied members of Parliament the right to debate and amend the motion of approval required for tax measures, and although labelled as an economic statement by the Trudeau government, the proposed measures began taking money out of Canadians' pockets at midnight that same night.

Not only did hon. members opposite try to sneak in tax measures in a mere speech in reply to the throne speech, but the Liberals also attempted to short circuit the parliamentary process by not allowing a proper debate on what are clearly budget matters. A budget—even a mini one—demands debate, especially when it demonstrates a spendthrift direction in fiscal policy. What about the profound arrogance of the Liberals in introducing tax measures which, for the most part, were identical to those on which they defeated the former government just a few months ago?

The mini budget was, however, consistent with the Liberal's political philosophy. First, it stole many of the measures introduced in the budget of the hon. member for St. John's West (Mr. Crosbie), necessary tax amendments in which the Liberals had already indicated they had no confidence. Second, the Liberal document demonstrated a willingness to spend more and borrow more, as I have just stated, with no apparent concern for the consequences, and the new Minister of Finance (Mr. MacEachen) cribbed some of the Progressive Conservative spending programs and ignored, on the other hand, the balancing revenue-producing and cutback measures. Third, the budget of the Minister of Finance broke the Prime Minister's campaign pledge not to increase the deficit.

The Liberal fiscal policy projected a $14.2 billion deficit in 1980-81, an increase of 13 per cent over the projected deficit of the hon. member for St. John's West. In other words, it offered no help to farmers or small businessmen. It substantially increased government spending. It offered no help to home owners. It just stole some of the positive measures from the budget of the hon. member for St. John's West.

On a general basis, therefore, we can conclude very easily that there is no economic development program present right now or being considered for the future as far as we can see, as far as the Canadian public can see or, more important, as far as the Canadian businessman can see.

There are many areas which can no longer be overlooked. One of them is the ailing auto industry. Just to show the importance of the auto industry in Canada I will read a few paragraphs from a paper produced by the automotive parts industry in Canada. I quote:

> The automotive industry is essential to Canada. The automotive industry has a significant economic history, having played a central role in the establishment of secondary industry in Ontario and the rest of Canada. There are over 120,000 workers directly employed in the automotive industry, over half of which are producing automotive parts. The automotive parts industry supports a great deal of employment indirectly by major purchases of goods and services and through the disbursement of income. It is estimated that the 120,000 industry jobs can be linked to another 520,000 workers in Ontario and 600,000 jobs in the rest of Canada.
>
> The automotive industry supports one-third of the steel industry and a similar portion of the iron-ore industry. Plastic producers, aluminum casters, glass manufacturers and the specialty products industry are all dependent to a large degree on the industry. In addition, many Canadian cities are entirely dependent on the automotive industry and "live and die" according to the health of the industry.
>
> The governments in Canada must recognize the importance of this sector in its economic framework and provide an environment in which the automotive industry can survive and compete in world markets.

That is from a Canadian automotive parts industry brief. Having said that, we have heard nothing specific, as evidenced by the minister's answers over the last few months—and I am glad he is in the House today—to questions from myself, from the hon. member for Etobicoke Centre (Mr. Wilson) and from other colleagues. I personally have asked the minister to give up specifics on April 16 and 24, on May 5, 13 and 23, on June 25, and as recently as last week, and the minister has yet to

come up with one specific program and proposal for the automotive industry in Canada. He had the gall and the audacity earlier today in the debate to tell us—I checked in the blues—that the Progressive Conservatives want 16,000 Chrysler employees out of work. He told us that the PCs want Canadian small businesses to close down. I suggest that if that is not a lie, then it is the furthest thing from the truth.

● (2150)

An hon. Member: Watch it.

Mr. Jelinek: The minister dares, after sitting in the House for only three or four months, to try to turn the tables and blame the Conservative government for the loss of jobs, for the inaction in the automotive industry, when it was under his leadership and when he was Minister of Industry, Trade and Commerce that the Canadian labour force in the auto industry had decreased. The lay-offs did not begin to take place when the Conservatives were in government. They began to take place when the minister took over.

I realize that it is not solely the minister's fault, that a great part of the problem stems from the negative economic trends in the United States and the ailing auto industry in that country. I also realized, and perhaps it should be stated more often, that the big auto makers are greatly to blame for the problems they are experiencing within their own industry today for not having the foresight to look toward smaller and more efficient automobiles. I realize all those things, Mr. Speaker. But that is not to say that the government can sit idly by without taking any positive steps to assist the program.

The minister went to Washington to meet with his counterparts at a well-publicized, well-touted meeting a few weeks ago. What are the results of that meeting? I will read you from the minister's own press release. The main result of that meeting was that "they agreed to hold further discussions." I tell you, I am fed up with just discussions, the automobile industry is fed up with just discussions, and the unemployed are fed up with just discussions; they want action. There are things that could be taking place today. The minister did not outline an auto pact presentation that he was going to make to his U.S. counterparts. He has admitted that in his press release and in his answers to our questions over the past few weeks. Now he has the nerve to come here and try to turn the tables and blame us. I just hope that the minister will have enough sense either to explain the position he took earlier today, which I called the closest thing to a lie, or withdraw the statement.

There is no excuse, in my view, for the Minister of Industry, Trade and Commerce and the government to stand idly by and just hold discussions while tens of thousands of Canadians are hit with massive lay-offs. Perhaps the minister has been preoccupied until now with the $200 million package to Chrysler Canada which, as you know, happens to be located in his own riding in Windsor.

Mr. Baker (Nepean-Carleton): He is thinking about the Liberal leadership.

Mr. Jelinek: Perhaps the minister is thinking about the Liberal leadership, as my colleague says. He is certainly acting like that in the question period.

Some hon. Members: Oh, oh!

Mr. Jelinek: Perhaps the minister does not realize that the auto industry is suffering in other parts of Canada as well, in such places as Oakville, Oshawa, Brampton, St. Catharines, St. Thomas, to name just a few. Even the Chrysler proposal seems to have been a sham since less than 48 hours after receiving the $200 million loan guarantee, Chrysler of Canada laid off a further 1,400 people without even a peep from the minister and this government. Yet, when the minister gave the loan guarantee, he knew that Chrysler would lay off 1,400 more people.

An hon. Member: Does he care?

Mr. Jelinek: Does he care, my hon. friend for Etobicoke Centre asks. I do not think he can care because he has not taken any action. Why has the minister not taken some immediate, short-term steps while he has taken the long-term steps in renegotiating the auto pact with the United States? The short-term steps I refer to are steps such as removing the 9 per cent federal excise tax from cars assembled or manufactured in Canada. I know it is a small step, but at least it is a step in the right direction. That alone would reduce the cost of vehicles built in Canada and thereby stimulate sales to a certain extent. The loss of revenue from the tax to the government could easily be offset by the saving in unemployment insurance benefits which, as of today, have already reached the staggering sum of $5 million a week within the auto industry alone, not to mention the secondary manufacturing sector.

Why has the minister not taken up the suggestion of eliminating the $100 excise tax on vehicles with air conditioners? If he had talked to the dealers across the country he would know that that alone would help move inventory from dealerships in this country.

Why has the minister not adopted the recommendation to impose quotas on offshore imports of automobiles? It would not be a precedent-setting case. The same government imposed textile quotas when the Canadian textile industry was in trouble, and this side of the House approved that. It imposed shoe quotas when the Canadian shoe industry was in trouble, and we supported that. Why is there not some action? If the minister does not want to accept the recommendations we and other interested groups are making, why does he not come up with some solutions of his own? Lada cars are being sold in Canada and promoted by the minister. That is fantastic. We are buying cars from a country which has invaded Afghanistan and butchered innocent men, women and children. We are doing the right thing so far as the Olympic boycott is concerned and, hypocritically, on the other hand the government is supporting the sale of Lada cars when thousands of auto workers in Canada are unemployed.

Mr. Gray: Are you against selling wheat? Is that it?

Mr. Jelinek: I can see that the minister is starting to become a little nervy over there when he hears the truth from this side of the House, when he hears that there are potential steps that can be or should be taken. I wonder how long he is going to go on meeting with his counterparts and not resolving anything.

It is not as if the government and the minister did not have any options. There are options, and I have just mentioned a few. However, if the minister is unable to deal with the problems affecting the auto industry in Canada, which seems to be the case, and if the minister is unable to improve the provisions within the Auto Pact for the benefit of the auto industry in Canada, which seems to be the case, and in short, if the minister is unable to take any action in this regard, which also seems to be the case, then I urge him at least to bring this whole matter before the Standing Committee on Finance, Trade and Economic Affairs forthwith for an immediate review of the state of the automobile industry in Canada, as well as an over-all review of the obsolete and inadequate Auto Pact in order that all concerned, namely, management, labour, government and opposition parties could come to a positive, fair and equitable solution in a much needed public debate. The minister and the government have options. For God's sake, let us not waste any more time and let us exercise some of those options.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SHIPBUILDING—REDUCTION OF SUBSIDY—COMPARABLE PROGRAM OF ASSISTANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the question which brings me here this evening—and I am sorry to see the Minister of Industry, Trade and Commerce (Mr. Gray) leaving—has to do with an area in which from time to time he expresses concern, that is, the well-being of Canadian industry.

On July 7 I asked the minister whether or not he could give us some information as to where the comparable offsetting program stood which was to come in by way of replacement for the reduction in the national shipbuilding subsidy from 20 per cent to 9 per cent. It seemed to us at the time rather shortsighted for the government to reduce one program before it had completed work and put in place the subsequent program. At the time the minister indicated to me that he was not too concerned about it to begin with. I should like to quote him from *Hansard*—I do not have the page number—of Monday July 7, in response to my question when he said in part:

> I am advised that most of the Canadian shipyards have relatively full order books to build ships that were eligible for the 20 per cent subsidy.

Elsewhere he argued:

> I believe it is a fact that most, if not all, Canadian shipyards have relatively full order books providing them with work until 1982, in some cases, and in others well into 1981—

● (2200)

The fact of the matter is that we have about 18 shipyards in Canada that are active in this program and in fact rely upon it.

What is the current situation today? For example, two Montreal shipyards are out of work. They have laid off 1,400 workers in the marine area in the last eight months. Approximately 700 of these employees were reassigned to the rail car division, but the work in that division as well will run out at the end of this year. By the end of 1980, six other shipyards in Canada will have run out of orders as well. Therefore, a total of eight out of the 18 will have no new orders by the end of this year.

In 1981 three shipyards will run out of work in the spring, two will run out of work in the summer, and two in the fall or early winter. By the end of 1981, 15 of the 18 shipyards will have no work. In 1982, the year in which the minister feels very confident that there will be lots of employment and lots of orders for work in these yards, two shipyards will run out of work by the late spring or early summer. Therefore, by the end of 1982 there will be only one shipyard in Canada with any work under way by way of new orders.

Again I will repeat my concern. The Canadian shipyard industry has come to depend in no small way upon the 20 per cent subsidy. It has been extended by successive governments over a significant period of time now. The subsidy was to run out on July 1, and in fact it was allowed to lapse. It reverted back to 9 per cent which was the level of subsidy and assistance in place some years ago. There are two things wrong with that. First, it was done without consultation with the industry. Second, not only was it done without consultation, at the time of the presentation of their annual brief to the Canadian government, to the minister and his officials involved, there was a clear impression left of support for further extension of that subsidy. That word was pretty well spread throughout the industry. The consequence was that yards seeking new orders and in the course of negotiating for new orders were proceeding at a regular, proper business pace. Matters were not being rushed. There was confidence that the subsidy would be extended and that new orders would be forthcoming for Canadian yards during the summer months and early fall.

Now, that did not happen. If one talks to those who are seeking ships from Canadian yards, their position is simply stated, "Why should we order now at 9 per cent when the Minister of Transport (Mr. Pepin) clearly indicated that there would be a replacement program?" They are not saying what the replacement will be, but why should they order at 9 per cent when they are expecting and awaiting a comparable program? The best information we have, which the minister was not able to correct the other evening, is that we would get

it at some point. He attached some urgency, but he did not say when.

• (2205)

Every week that goes by—it is now July 14—will be a week some point in the future when Canadian shipyards will be out of work. It takes time to negotiate contracts, to complete designs, to identify Canadian content and to put ships together, a lot of time. I wish that the minister were here this evening, and I hope that his parliamentary secretary will at least answer in some way the general question of when we might expect a comparative program and why the subject was not left in place until the comparative program, whatever that is, was brought into public view?

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, it gives me great pleasure to answer the comments of the hon. member for Dartmouth-Halifax East (Mr. Forrestall) as it also allows me to stress that the hon. member for Lévis (Mr. Guay) is also interested in this question of assistance to shipbuilding, as *Hansard* reports that the hon. member for Lévis put a similar question about the negotiation of new programs on July 8, namely the day after the hon. member put his question.

Mr. Speaker, the 20 per cent shipbuilding subsidy was to expire on December 31, 1979, and the previous government extended it to June 30 of this year. This government does not want to abolish subsidies once and for all, but rather to put forward another long-term shipbuilding program, and to that end, it is considering holding consultations with all interested groups in the industry. The hon. member says the minister cancelled the program without warning the industry. Well, in developing a new program, the minister wants precisely to consult that industry, and the consultations will take place as soon as possible so that the government may make decisions on such a program by the end of the year.

The hon. member asks when the new program will be announced. The government intends to make that decision by the end of the year.

[*English*]

The hon. member repeated the affirmations of the minister, that most Canadian shipyards had in their books many contracts which would take some of them close to the year 1982. He did not deny the fact that these construction programs will cost the federal government over $250 million for ships, and some of these ships will not be out of the shipyard before 1982. In any case, the objective of the government is to put in place a new program which, as the Minister of Industry, Trade and Commerce (Mr. Gray) said in the House, "would be recognized as cost effective, in the best interests of the industry, its workers and the entire economy". At the same time, I must say to the hon. member that I have noted some of his remarks, and I will bring them to the attention of the minister.

Adjournment Debate

REGIONAL ECONOMIC EXPANSION—DREE GRANTS FOR DEVELOPMENT PROGRAMS IN NEW BRUNSWICK

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, on July 2 I attempted to have the Minister of Regional Economic Expansion (Mr. De Bané) identify for me the shortfall in respect to the $56 million which the province of New Brunswick hoped to receive from DREE. I suggested to the minister that the shortfall would be in the area of $10 million to $15 million. He indicated to the House that he understood that approximately $50 million would be allocated to New Brunswick, which would seem to indicate a shortfall of $6 million.

My next concern was that the minister take a look at all the estimates in his department and hopefully find some estimates which would not be fully consumed, some of the money of which could perhaps be reallocated to wipe out the shortfall entirely. I am hoping that perhaps tonight or in the next day or so I might get some answers to these questions from the minister.

I would like to refer briefly to the DREE budgets of the past three years. For the fiscal year 1978-79, the expenditures, excluding Devco, were $525 million. For 1979-80 the forecast ependitures are $588 million and for 1980-81 $550 million is shown in the estimates.

• (2210)

If we added the $50 million set out in the December 11 budget for development and expansion in the Atlantic provinces and in Gaspé, the Minister of Regional Economic Expansion would have available to him, exclusive of Devco, $605 million in the current year—more money than any other minister of regional economic expansion in the history of the department.

In the House today I proposed a motion under Standing Order 43 to provide that the $50 million be reinstated from the defeated budget and made available to the Minister of Regional Economic Expansion but, of course, it was not given unanimous consent. I noticed, however, that the minister shared my sentiments and he at least was nodding assent. I do not know where that $50 million has gone, Mr. Speaker, but I should certainly like to see it go to DREE.

The Devco allowance for 1980-81 would be $60 million. I should mention that the forecast expenditure for 1979-80 was $42 million and for 1978-79, $46 million. I would see, as an added attraction to DREE, a whole new exciting dimension if the selective tax incentives by way of tax contracts with DREE as the operative vehicle, were implemented by the government as was proposed in the December 11 budget. That budget contemplated these tax contracts taking the form of accelerated capital cost allowances for tax credits. I think that in addition to the Regional Development Incentive Act, this new dimension, as a continuing dynamic would be very valuable in the government arsenal in attacking problems of regional disparity.

At the moment the department has under negotiation with the province of New Brunswick three subagreements under the general development agreement. These subagreements involve

fisheries, transportation, and the forest industries, three of the most important dynamics for economic development in the whole province of New Brunswick. I would plead with the minister to approve these agreements so that they have the greatest economic impact they can possibly have, and that they have it now. If the minister has to come to Treasury Board and eventually come before this House with supplementary estimates, he will have my wholehearted support.

In order for us to be successful in attacking the problem of regional disparity we have to ensure that every department and agency of government will focus on the problem. It may take the involvement of the Prime Minister (Mr. Trudeau) to bring that focus about. I would therefore ask the Prime Minister to vest in his minister the power to bring about that vital and very important clout so that we can make progress in this regard.

In the province of New Brunswick some of the departments of government that could have this development dimension and have it initiated now, should be mentioned. The Department of Industry, Trade and Commerce could initiate an expansion of the Saint John Shipbuilding and Drydock Company Limited. The Department of Public Works could get on with dredging the Miramichi River. The Minister of the Environment (Mr. Roberts) who also has charge of science and technology, could provide facilities and grants for the forestry complex at the University of New Brunswick. The Department of National Defence could play a development role by moving the $49 million facility for base Gagetown from 1985 to 1981 and thus create jobs today. The National Harbours Board could expedite the most valuable Dalhousie-Belldune study and the natural products potash terminal in Saint John. The Department of Transport could lengthen the runway at St. Leonard Airport by 2,000 feet. The Department of the Solicitor General could also play a role by starting building on the minimum security prison at Renous. And the Department of Energy, Mines and Resources, Mr. Speaker, has untold opportunity in capital intensive projects now under way in the maritime provinces to reduce the cost of electric energy.

The Prime Minister very wisely said early in the session that he would like to see bread for everyone before cake for some. I want to serve notice on the Prime Minister and the minister responsible for regional economic expansion that we in New Brunswick are prepared to get bread, but we are sick and tired of crumbs.

● (2215)

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I want to express my gratitude to the hon. member for York-Sunbury (Mr. Howie) for bringing this matter to the attention of the House this evening. Certainly he supports what the minister responsible for DREE has been saying, as quoted not long ago in *The Telegraph-Journal,* Saint John, New Brunswick. He said. "We can't do it alone." He has put forward the concept that we will have to have a broader base notwithstanding the fact that we have just passed the tenth anniversary of the structuring and the setting up of the Department of Regional Economic Expansion. However, if one looks at a map of Canada, practically all regions now have been designated. Obviously there will have to be a reshaping and rethinking of the whole question of designated areas to correct the question of disparity.

The hon. member has touched on many important points this evening. I think, though, that he will also have to remember that his own government last year signed no subsidiary agreements with the province of New Brunswick during the nine months it was in office. In the last three months we have attempted to revive DREE activities in the province of New Brunswick. Indeed, negotiations are under way now which could result in a commitment of about $90 million by the federal government over the next five years. We have presently under consideration several proposed sub-agreements with New Brunswick relating to commercial development, that is, development of the market square in Saint John, the modernization of the pulp and paper industry, forestry development and industrial development.

If the negotiations arrive at a successful conclusion with the New Brunswick government, DREE's contribution under the Canada New Brunswick General Development Agreement will reach approximately $435 million. When one looks at the history of it, the federal government has committed $435 million in New Brunswick between 1974 and 1979. I think that is very significant and important. This was carried out through the signing of 17 agreements.

These funds have been allotted to the resources sector, to infrastructures, including the highway system, development agreements for underdeveloped areas and to other projects of specific interest and impact. However, as has been pointed out, the Department of Regional Economic Expansion continues to co-operate with the province of New Brunswick.

It is interesting to work on the standing committee of DREE because there is agreement that there be non-partisan debate and that we try to get along to help progress, to succeed, and to have the best results for the dollar spent between the federal and the various provincial governments, specifically in the area of Atlantic Canada. We agree that there must be co-operation. If we are going to accomplish all these things, we will have to have restructuring and co-operation of all the other departments, and we will have to have more money to do it.

As has been stated by a noted reporter, Mr. Surette, in Halifax recently:

DREE, I believe, deserves more encouragement at this point.

With that kind of co-operation we might be able to meet some of your needs.

HEALTH AND WELFARE—HEALTH HAZARDS IN CERTAIN CHEMICALS AND PESTICIDES—REVIEW OF DRUGS, PESTICIDES, FOOD ADDITIVES—REQUEST FOR PROGRESS REPORT

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise this evening as a result of the answer I received from the Minister of National Health and Welfare (Miss Bégin) concerning the

feasibility of having our own research and lab facilities in Canada in the field of toxicology.

I have brought to the attention of the government the ongoing study and review of the International Bio-Test Laboratories of the United States which, in 1977, were found to have deliberately falsified and shredded its tests on various chemicals. In fact most of the pesticides available in this country today were tested by the IBT labs, and those tests, which allowed for the registration of those chemicals in this country, were proven to be false and misleading. It was a very serious situation and it continues to be so because these particular pesticides continue to be used in Canada today. There does not exist comprehensive valid studies to show that these particular pesticides are not dangerous to the users and to the consumers in our country.

It seemed to me to be very logical to ask the question: why do we not develop our own centres of toxicology in Canada so that we are not dependent on labs such as the IBT laboratories which have shown themselves not to be very dependable? In fact, Mr. Speaker, in committee a member of the department admitted that it is costing $100 million to redo the tests originally done by IBT. This is not $100 million that the Government of Canada is spending, but it is $100 million that the consumers of Canada will eventually have to pay. At the time the minister suggested I was a bit naive in asking for our own centres of toxicology as we are a small country. I admit that in population we are a very small country compared to the United States and a number of European countries. She suggested, therefore, that we had to continue to rely upon the data we got from these independent labs, mainly in the United States.

• (2220)

I understand it would come close to $8 million a year over a five-year period of core funding from the government to guarantee or to enable us to set up a centre of toxicology that could effectively run tests on many of the chemicals that come on the market in this country. I am sure that even with $8 million over a five-year period we could not establish a centre of toxicology that would do proper studies on all the chemicals that come on the market.

Every year hundreds of new chemicals are introduced. We have to take the studies which the manufacturers of these chemicals present to us. We have to accept their word very often that these chemicals are not hazardous to the Canadian consumer and to the user. We have seen that we cannot very well depend upon the reliability of these studies. It makes a lot of sense for us as a country to take an active part in developing centres of toxicology. If we as a country cannot afford to do the whole job ourselves, then we have to join with other countries, either through the United Nations or outside of it, to develop some international laboratory capacity so that we are not dependent upon private labs, so that we know there are laboratories whose results we can trust.

As we go further into the chemical society, if we cannot trust the labs which tell us whether these chemicals are safe for us, then we are in a very sorry state. If is up to the government, which in the long run has responsibility for guaranteeing the health and safety of the Canadian public, to ensure there are labs in this country or in the world whose results we can trust.

It might be a question of money, but as the case of IBT labs has shown, it is costing over $100 million to review and redo these tests. It is something that eventually the Canadian consumer will have to pay. Why not take the more logical step? Why not develop our own capacity for doing these tests? In the long run it would save the Canadian consumer money. If there were a centre of toxicology in this country I am sure that other countries would use our lab facilities. In fact, I assume that after five or six years such a centre for the study of toxicology would make money for this country.

I wish to use this opportunity tonight to urge the government to consider seriously problems that it has had with private labs in the past. IBT is not the only lab. I ask it to consider seriously recommendations which, I understand, its own bureaucrats have made; I ask it to consider seriously supporting one or two universities across this country so that we can have our own independent source of study and so that we, as Canadian people, might be assured that the chemicals we are using are, indeed, safe.

• (2225)

Mr. David Weatherhead (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the member for Regina East (Mr. de Jong) has asked several questions recently on the safety of pesticides tested by Industrial Biotest Laboratories of Chicago, Illinois.

On June 23 the Minister of National Health and Welfare (Miss Bégin) issued a press release outlining the problem and listing the chemicals tested by IBT. In addition the minister has informed the provincial ministers of health, environment and agriculture and their counterparts in the Territories regarding this problem.

I wish to inform the House that the minister and the Department of National Health and Welfare are acutely aware of the shortage in Canada of trained toxicologists and facilities to conduct studies to assess the safety of chemicals. As a partial solution to this problem the department has played an active role in the establishment of an international program on chemical safety under the auspices of the World Health Organization. The department is assisting through direct funding of this program, as well as playing a leading role in the safety evaluation of agricultural chemicals and certain food additives. This program will provide Canada with access to expertise in other countries and will permit international collaboration on the safety evaluation of chemicals.

The department is committed also to the work of the Organization for Economic Co-operation and Development which is involved in developing improved means of detecting potential adverse effects of chemicals and in ensuring that the quality of scientific investigations will be satisfactory.

Industrial development of new chemicals occurs primarily in foreign countries. Extensive growth of private laboratories engaged in safety evaluation of chemicals has taken place in recent years in the U.S. and Europe. In comparison to Canada, which has fewer than five such laboratories engaged primarily in drug testing, the United States has in excess of 100. Since Canadian industries rely heavily on their U.S. or European counterparts to undertake safety studies, they have demonstrated only limited interest in developing Canadian expertise in toxicology.

The Department of National Health and Welfare has played a lead role in assessing resources required to develop and maintain Canadian expertise in this vital field. Development of a first-class, internationally recognized research and training facility in Canada would involve financial commitments of up to $10 million per year for a minimum of eight years. In addition, an initial commitment of $20 million would be required to build adequate laboratories. These moneys are very difficult to find in times of fiscal restraint with so many other priorities in health and other Canadian government policies. In addition, sustained financial support from the public sector would also be required to sustain such a facility.

[*Translation*]

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Tuesday, July 15, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

BEREAVEMENT

CONDOLENCES TO FAMILIES OF VICTIMS OF FIRE IN MISSISSAUGA—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. At 9.30 last evening a fire broke out in the Extendicare Nursing Home on Queensway Avenue, Mississauga, causing extensive damage to the facilities, the loss of life of 21 of our senior citizens and the hospitalization of a further 60 of our senior citizens, some of whom are in real danger of losing their lives.

A number of firemen and police officers, in attempting to effect the rescue of persons caught in the conflagration, were also injured. I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House extend its sympathies and condolences to the families who have lost their loved ones in the fire at the Extendicare Nursing Home on Queensway Avenue, Mississauga, and extend its prayers to those in critical condition that they will quickly recover, and this House express its appreciation for the diligence and competence of the Mississauga Fire Department and the Peel Regional Police in their heroic efforts to save lives and contain the damage.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

McDONALD COMMISSION

APPROPRIATENESS OF SERVICE OF COMMISSIONER GILBERT—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In light of the disclosure of the contribution by Guy Gilbert, one of the three commissioners serving on the McDonald commission looking into the affairs of the RCMP, including the role of the government and cabinet ministers in alleged wrongdoing in a $500 donation to the Liberal party, and Mr. Gilbert's statement, "I believe in the Liberal party. It's the party I want to support", and in view of the concern expressed today in the Standing Committee on Justice and Legal Affairs by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), a former Liberal solicitor general, that such statements of partisan support may compromise the effectiveness of the commission and its ultimate report, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the House direct the Prime Minister to make a statement on motions respecting the appropriateness of Mr. Gilbert's continuing to serve on the McDonald commission, established under the Inquiries Act to examine, *inter alia*, the activities of the Liberal government in its relations with the RCMP.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AWARDS AND DECORATIONS

REQUEST MR. TERRY FOX BE AWARDED ORDER OF CANADA—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. In view of Terry Fox's continuing and courageous cross-country Marathon of Hope on behalf of cancer research, I move, seconded by the hon. member for Oxford (Mr. Halliday), a non-partisan motion which I trust will receive the compassionate and unanimous approval of all hon. members. The motion reads as follows:

That this House, through its Speaker, send a message to His Excellency the Governor General commending to him Mr. Terry Fox as a recipient of the Order of Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

REQUEST THAT HALT CALLED TO CONVERSION TO METRIC SYSTEM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

S.O. 43

In light of a recent interview published in *The Globe and Mail* in which the Prime Minister is reported to have stated, "Canadian people need protection from governments, which often try to take away basic freedoms", and in order to help fight inflation and keep food costs down, I move, seconded by the hon. member for Scarborough East (Mr. Gilchrist):

That this government call a halt to forced metric conversion in the retail food sector on January 1, 1981, and show that the Liberals are prepared to recognize that the major food chains in Ontario and consumers in the three metric test centres do now wish to proceed with metrication, and that the $8 million annual cost of the Metric Commission and the millions of dollars that must be spent to buy weigh-scales, most of which are imported, will only result in higher food costs and more small business bankruptcies during these tough economic times.

● (1410)

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

McDONALD COMMISSION

DONATION BY COMMISSIONER GILBERT TO LIBERAL PARTY—REPORT OF COMMISSION—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that when the McDonald commission was established in 1977 the then solicitor general stressed the importance of an independent, impartial judicial inquiry, and in view of the fact, as stated earlier, that the McDonald commissioner Guy Gilbert openly donated $500 to the federal Liberal party in 1979—while a commissioner—stating, "I believe in the Liberal party. It's the party I want to support"—

Some hon. Members: Hear, hear!

Madam Speaker: Order, please.

Mr. Robinson (Burnaby): It is interesting to see the response of the Liberals to this. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), and I am sure I will be supported by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That this House call upon the Solicitor General to explain how this donation to the Liberal party by a member of the McDonald commission can be justified in light of the vital importance of an impartial inquiry; and, further, that the full unedited report of the commission be referred to the all-party Standing Committee on Justice and Legal Affairs to avoid any suggestion of Liberal bias even in the publicizing or drafting of this important document.

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

Some hon. Members: Agreed.

Some hon. Members: No.

PETRO-CANADA

BIDS ON EXPLORATION EQUIPMENT IN NORTHWEST TERRITORIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas Petro-Canada in its exploration activity in the Northwest Territories has apparently not enabled northern contractors to bid on its requirements for the supply of equipment, but prefers to bring this in from the south without public tender in the north, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House insists that Petro-Canada operate in the north with the same high standards of corporate citizenship required of private operators such as Imperial Oil and Dome-Canmar, with particular attention being given to proper public tender procedures.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

REQUEST THAT TASK FORCE STUDY RIGHTS-OF-WAY—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I wish to move a motion under Standing Order 43. Whereas railway lines interlace urban areas throughout Canada, often occupying extensive land surface areas in the downtown or core areas of cities; and whereas the air rights and the subsurface rights above and below the railway rights-of-way in urban areas have become extremely valuable and useful for high-rise structures as well as for underground or subterranean structures; and whereas much of the surface land for railway rights-of-ways was deeded to Canadian Pacific and Canadian National Railways through federal government action, and ambiguity exists as to the ancillary rights of such deeds, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the government move to establish a joint federal-provincial-municipal task force to inquire fully into the matter of air rights and subterranean rights associated with railway rights-of-way in urban areas and subsequently make appropriate recommendations for subsequent government action.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

STATUS OF WOMEN

REFUSAL OF COMPANY TO HIRE WOMEN FOR UNSKILLED JOBS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise, under the provisions of Standing Order 43, to raise an urgent matter concerning the rights of women to employment.

In view of the fact that the Fleet Aircraft Company of Fort Erie has consistently refused to hire women for unskilled jobs, and since the Fleet Company has benefited from federal government contracts in the past and is seeking future contracts related to the production of F-18 aircraft parts, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That the federal government implement a policy of compulsory contract compliance and immediately require that Fleet Company sign an affirmative action agreement as a prerequisite for all federal contracts.

Madam Speaker: Such a motion can be put to the House only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

STATISTICS CANADA FIGURES ON UNEMPLOYMENT—GOVERNMENT PLANS TO CREATE JOBS AND REDUCE INFLATION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister. In view of the Statistics Canada figures today on unemployment which reveal a sixth consecutive increase in the seasonally adjusted unemployment rate—still 7.8 per cent this month as it was last month, even though it is the middle of the summer—and in view of the fact that the unadjusted June rate of 7.5 per cent is one-half of a per cent higher than last year, we have 887,000 unemployed, up 89,000 from this time last year, and in view of the uniformly poor economic forecasts of decreases in the growth of the gross national product, and the like, will the Prime Minister now tell the House—he has been 12 years in office; this is the twelfth year of his reign—what the government's policies and plans are to combat the high unemployment we now face and the high inflation which is still threatening?

In other words, when is he going to start battling these problems—

An hon. Member: Wrestling.

Mr. Crosbie: —wrestling with these problems? When is he going to start bashing these problems, rather than just bashing the provinces?

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I am pleased to note, with the hon. member, that the unemployment rate for June was maintained at 7.8 per cent and it is hoped that under the program announced at the beginning of May by the Minister of Employment and Immigration the unemployment rate this fall will quickly decline as soon as the program is put into effect.

[*English*]

Mr. Crosbie: Madam Speaker, we can see how seriously the Prime Minister treats these problems now.

Some hon. Members: Hear, hear!

Mr. Crosbie: The death of this government is going to be "Sore Throat"; the Minister of Finance is absent. Would the Prime Minister answer this question, then? In the Speech from the Throne, the government said it would not decrease the deficit at the expense of loss of jobs and higher unemployment. Now the deficit has increased by $3.7 billion, up to $14.2 billion, and unemployment has also gone up since the deficit increased.

Would the Prime Minister explain what his policy is? To what level does he think the deficit must rise before we can have the full employment we would all like to see? Is that the policy? How high does he intend to raise the deficit this year to combat this increasing unemployment?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the Parliamentary Secretary to the Minister of Employment and Immigration has just indicated to the hon. member that the unemployment rate has not increased and that there were 314,000 new jobs in June 1980 as compared with June 1979. This is specifically due to the steps taken by this government, so that the negative effects of the very difficult economic conditions will not be felt more strongly by those who find it most difficult to find employment, and by the poor. The figures provided by the parliamentary secretary reveal that the government has reluctantly opted for a slightly larger deficit than otherwise acceptable, but has enabled the economy to remain vigorous.

• (1420)

[*English*]

Mr. Crosbie: Madam Speaker, in the absence of the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Crosbie: —and of the Minister of Finance, who at least has the excuse of a sore throat, I will put my final supplementary to one of the page boys.

Some hon. Members: Oh, oh!

Madam Speaker: Order. I have the feeling that we are in for a rough question period. I think we should start off right now by disciplining ourselves.

Mr. Crosbie: Madam Speaker, at least the page boys might show some concern about the 887,000 unemployed. For my final supplementary I will try the Prime Minister again. His flower is fading today. He does not have his usual bright red flower. Something is wrong with him today.

The OECD has predicted that the Canadian economy will have its worst performance since 1954. That is really something. On June 10 the Minister of Finance stated in this House that it was desirable to maintain the battle against the inflation. Would the Prime Minister explain to the House what his policies are to maintain this battle against inflation?

Right Hon. P. E. Trudeau (Prime Minister): You just said I was absent.

Mr. Crosbie: You certainly are absent. You are absent from any sense of decency or responsibility.

Some hon. Members: Hear, hear!

Mr. Trudeau: Ask the page boy.

Mr. Crosbie: In the absence of the Prime Minister, again, perhaps I can ask the Minister of Industry, Trade and Commerce whether he will show some concern about the 887,000 unemployed. What is his new industrial strategy to put these people to work? The rate has increased for the last six consecutive months. The Prime Minister cannot answer. Will the Minister of Industry, Trade and Commerce tell us what the government's policy is going to be?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am sorry my hon. friend was not in the House yesterday. We set out our policy at that time.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. We do not want the whole question period to be taken up by heckling and cheering, do we?

HIGH UNEMPLOYMENT IN ONTARIO

Hon. Sinclair Stevens (York-Peel): Madam Speaker, it is a shocking thing to have such indifference about unemployment in this country. If the Minister of Industry, Trade and Commerce is not concerned about the unemployed in Canada, perhaps he is concerned about the unemployed in Ontario; 75 per cent of the unemployment increase since February last year, when he and his government took power, has been in Ontario. His own city now has 15 per cent unemployment. Will he explain that to the House? Why has he turned on his own province and his own city and allowed such unemployment?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we began taking decisive action on these matters even before we became the government, by leading the attack on the incompetent Conservatives, throwing them out—

Some hon. Members: Hear, hear!

Mr. Gray:—and bringing about a change of government to a new Liberal government which is capable of and is taking decisive action on behalf of Canadian and Ontario workers.

Mr. Stevens: Madam Speaker, my supplementary question is again to the Minister of Industry, Trade and Commerce. If his attack has been so successful, could he explain to the House why unemployment has gone up every month in Ontario since he has been in office to the point that there are now 22,000 out of work in Windsor, compared with 11,000 when he took office? Why are there 46,000 more people out of work in Ontario today than when he took office, if his attack has been so successful?

Mr. Gray: Madam Speaker, one reason—as far as I am concerned, at least—is that we have not yet overcome the negative effects on the economy of the Conservative government.

Some hon. Members: Oh, oh!

Mr. Trudeau: You used that line for six months.

* * *

NORTHERN PIPELINES

ALASKA GAS PIPELINE—POLICY RESPECTING PRE-BUILD SECTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister which arises directly from his press conference this morning, and it concerns the important matter of the pipeline. The Northern Pipeline Act clearly states:

> The company shall before the commencement of construction . . . establish to the satisfaction of the minister . . . that financing has been obtained for the pipeline.

● (1425)

Elsewhere in the act "pipeline" is defined to mean a pipeline "from Alaska across Canada"; that is to say, the pipeline is indivisible. Considering that at the press conference this morning the Prime Minister said that if the act said what I have just quoted—it says it in very clear language—the government would either be prohibited from going ahead with the pre-build or would have to amend the legislation. I should like to

ask the Prime Minister which of the two options the government is going to choose.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, with regard to the financing aspect, I repeat to the hon. member what I told the press conference this morning, that is, that I am not aware of the particular provisions on the financing and I would defer to the minister on that.

As to the statement that the pipeline is indivisible, I disagree with the hon. member. There is nothing in the act which says it is indivisible. On the contrary, there is a section—section 12, I believe—which permits it to be divided, provided certain guarantees are given, and it is the nature of those guarantees which the government is presently expressing in order to determine whether or not we would let one part go ahead while waiting for the other part to be terminated.

Mr. Broadbent: Just to be very clear on the subject, let me point out that it is true that the pipeline may be divided in terms of the period of construction. But it is equally clear, in terms of the legal advice given to the National Energy Board by its legal advisers, that in terms of the guaranteeing of the financing before any section can be built, the financing of the whole pipeline has to be guaranteed. That is the crucial point. I should like to ask the Prime Minister if he agrees with that.

The language which I read out in the first question is unambiguously clear where it says the financing of the whole pipeline must be provided before commencement. "Pipeline" is defined as being a pipeline from Alaska to the American border. Does the Prime Minister agree, then, that before we proceed with the pre-build, a total guarantee has to be obtained for the financing of the whole pipeline?

Mr. Trudeau: Madam Speaker, I just answered the hon. member that on the problem of financing, I am afraid I cannot enlighten him any more than I was able to enlighten the press conference this morning.

Some hon. Members: Oh, oh!

An hon. Member: Find out.

Mr. Trudeau: What is the hon. member behind there saying? They do not feel well over there, Madam Speaker. That is not our responsibility. I am trying to answer the hon. member. I do not know the answer on the financing.

An hon. Member: Find out.

Mr. Trudeau: I will.

Mr. Broadbent: Madam Speaker, the people of Canada, I think will be more than a little disturbed that the Prime Minister, when he is discussing a project which may cost $22 billion, admits—two days before the cabinet is to make a decision on this matter—that he knows nothing about the financing of it. That is an incredible admission.

I should like to ask him if he can assure the House that if the interpretation is as I have outlined it, as the legal advisers have suggested to the National Energy Board is the correct interpretation, after he—the Prime Minister—finally does his homework, will he assure us that we will either have a debate concerning an amendment in the legislation or he will not proceed with the pre-build?

Mr. Trudeau: Madam Speaker, the answer is predicated on the legal advice which the hon. member says was given to the NEB. I admitted that I am not aware of this aspect of the question. I will do, as the hon. member calls it, my homework. I am sure the Minister of Energy, Mines and Resources, who is at present, I believe, in Saskatchewan trying to see to the implementation—

Some hon. Members: Oh, oh!

Mr. Trudeau: Now it is the Tories who are a little bit ill because the minister is in Saskatchewan. As I told the hon. member, I am sure the minister will be able to answer the question. I am sorry I am not, but I will inquire.

* * *

● (1430)

ENERGY

LEGALITY OF INCREASE IN PRICE OF PETROLEUM PRODUCTS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the President of the Privy Council, who I am sure shares the concern of all members of the House with the unhappy, unsatisfactory events of last Friday in which the Minister of Energy, Mines and Resources dealt with raising the ceiling under the Petroleum Administration Act. I believe certainly it was not done maliciously—I do not make that accusation—but likely it was done very mistakenly. Now it appears very doubtful that the 2.5 cents per gallon tax on all consumers of petroleum products is illegal—

Mr. Baker (Nepean-Carleton): Is legal.

Some hon. Members: Oh, oh!

Mr. Jarvis: Is legal; I am sorry. Given that situation, is the President of the Privy Council privy to the advice of the law officers of the Crown in this regard? Can he inform the House whether that legal opinion indicates that the measures taken last Friday are abortive, in a legal sense, leaving the government open to the obvious remedies of any citizen of Canada who has been subjected to that tax?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, this point was raised last Friday during the debate on procedure. The Minister of Energy, Mines and Resources had unsuccessfully sought in our Standing Orders some provision whereby we could have introduced this new levy without offending the opposition. Madam Speaker, you handed down a decision to the effect that everything we had

done had been perfectly legal and procedurally proper, at which time a new point of order was raised questioning the legality of what I would call, not a new tax, but a new levy or charge on the Canadian people; I remember quite well the Minister of Energy, Mines and Resources saying then to hon. members of the opposition that as far as he was concerned, he was satisfied, on the basis of the legal advice he had received, that the procedure was perfectly legal and in order.

Mr. Clark: No, no!

Mr. Pinard: I can hear the Leader of the Opposition saying no. Obviously, he has failed to understand anything.

[*English*]

Mr. Jarvis: Madam Speaker, I regret I have to correct the President of the Privy Council, but that was not the nature of Madam Speaker's ruling.

Mr. Clark: Nor Lalonde's statement.

Mr. Trudeau: That is not correct.

Mr. Jarvis: That is exactly what the President of the Privy Council just said.

Mr. Trudeau: No, no.

Mr. Jarvis: I wish the Prime Minister would compose himself. I think this is infectious today in the House. Is the government willing to run the risk of a probably illegal levy until this House resumes sitting after the summer recess, or is the intention of the President of the Privy Council to move within the limits provided for him before we recess to legalize what would likely be otherwise an illegal levy upon all consumers of petroleum products in the country?

Mr. Pinard: Madam Speaker, what I said to the hon. member is that we have no evidence there is an illegal levy. On the contrary, the Minister of Energy, Mines and Resources last Friday said very clearly that he had verified, he had checked and he was assured that what he was doing was according to the rules—

Mr. Clark: That is not what he said.

Mr. Pinard: —and according to the law.

Mr. Clark: You are misleading the House.

Mr. Pinard: The opinion we have so far is that everything is legal and I have nothing else to add at this time.

Some hon. Members: Oh, oh!

SMALL BUSINESS

WAGE SUBSIDY JOB-CREATION PROGRAM

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of State (Small Businesses). *Hansard* of June 26 will show clearly that the new job-creation program announced by the Minister of Employment and Immigration will only produce about 7,500 jobs this year. Could the minister indicate to the House whether or not he is pushing for a wage subsidy job-creation program as a way of aiding the small business sector and creating jobs in the country?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I believe the programs proposed by the Minister of Employment and Immigration already take into account the concerns of the hon. member.

[*English*]

Mr. Hawkes: Madam Speaker, the direct job-creation program or the employer tax credit which will produce about 4,500 jobs in the calendar year effectively eliminates 50 per cent of the businesses in Canada which could create employment. A wage subsidy program at the same cost could involve the other 50 per cent and double the employment creation for the same kind of expenditure of funds.

Is the minister aware of that kind of information? Has he taken it into account? Is he saying clearly to the House that he will not push for a wage subsidy job-creation program?

[*Translation*]

Mr. Lapointe (Charlevoix): Madam Speaker, it seems obvious that the hon. member does not agree with one of the government programs introduced by the Minister of Employment and Immigration. I shall be pleased to look into the claims of the hon. member, to which I am not willing to attach credence for the time being. Should they be founded in any way, I shall be pleased to take them into consideration and consult my colleague, the Minister of Employment and Immigration, in that regard.

* * *

[*English*]

ENERGY

LEGALITY OF INCREASE IN PRICE OF PETROLEUM PRODUCTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I want to direct some questions to the President of the Privy Council relative to his answer a moment ago to my colleague, the hon. member for Perth. I regret I will have to quote from *Hansard* and perhaps take a moment of the time of the House. As reported on page 2839 of *Hansard* for Friday, the Minister of Energy, Mines and Resources said:

There has been no formal legal opinion given on the matter as such, for the good reason that this is a procedure which has been followed historically on many occasions for decades by this Parliament and the British Parliament.

What is clear is that the minister had sought no legal opinion, contrary to the words of the President of the Privy Council. The minister had sought no legal opinion on the propriety of the instrument that was used.

Since there is now very real question as to whether or not the tax increase which became effective at midnight Friday is legal, can the President of the Privy Council tell us whether the government, some several days later, has now sought the legal opinion of the law officers of the Crown on the question of the legality of that $500 million tax increase?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, had the right hon. Leader of the Opposition read a bit further on, he would have read as follows:

I am advised that parliamentary procedure has been operating in this manner for many generations. Although the rules do not provide for ministers giving legal opinions in the House, I have little doubt about the propriety of the method which has been followed if, as I said, we look at the countless precedents in this country and in the U.K. in terms of the role and technique which have been used when governments employ ways and means motions.

So, that is what the minister said at that time.

[*English*]

Some hon. Members: Now answer the question.

Mr. Clark: Madam Speaker, I know full well what is in *Hansard*; I quoted it a moment ago. Also, I was here for all of the proceedings in the House on Friday. The obvious fact is that the Minister of Energy, Mines and Resources at the time was speaking without the benefit of consultation because he was responding to questions that had been put to him immediately before in the House of Commons.

Now we have a situation where it may well be that the $500 million tax increase imposed upon the people of Canada at midnight Friday is illegal. All we are asking is: first, is the Government of Canada looking into the possibility of that being illegal? Second, do they intend to make a statement or to take corrective action in this House before the House rises, or do they intend to let the people of Canada suffer a tax which well may be illegal and let the government rest vulnerable to actions which might be taken in the courts of the land by a number of individual citizens across the country?

Mr. Baker (Nepean-Carleton): Right on.

[*Translation*]

Mr. Pinard: Madam Speaker, what the Minister of Energy, Mines and Resources, once again, has clearly stated in the House is that the procedure followed was pursuant to the Standing Orders, that he followed a practice recognized for decades by both the Canadian and the British Parliaments, and that consequently his action was perfectly normal and legal. The right hon. Leader of the Opposition can question the legality of this procedure in Parliament all he wants. He has a right to question the legality of our methods. But it is not because the right hon. Leader of the Opposition has doubts that we must each time ask for legal advice to reassure him and prove to him that our procedure conforms to a ruling by the Chair which was in our favour. So I will say to him again what the Minister of Energy, Mines and Resources has stated very clearly, namely, that before acting he asked for advice, he consulted with his officials, who encouraged him to act as he did. The Chair recognized the validity of this procedure and therefore there is no reason why we should question the legality of the action taken.

• (1440)

[*English*]

Mr. Clark: Madam Speaker, as you will well recall, and as the House does, the decision you rendered on the procedural question set aside explicitly the legality of the action before a court of law. It was not on that that you, Madam Speaker, decided, but on the procedural question, and explicitly left open the legal question.

My question to the President of the Privy Council is whether the Government of Canada, since the matter was raised on Friday, has gone to the law officers of the Crown so that they can come to the House of Commons and give an opinion that is backed by legal advice taken since Friday, that the half billion dollar tax increase brought in at midnight on Friday is legal. Unless the minister can give us that assurance, we must assume that that half billion dollar tax increase may very well be illegal.

[*Translation*]

Mr. Pinard: Madam Speaker, I do not think that because you ruled that you should not interfere in a legal aspect which would in principle be the responsibility of the courts, we must conclude that serious doubts exist in the present case as to the legality of the action in question. I am sure you did not mean that. You rejected a procedural argument and based your judgment strictly on the fact that it could lend itself to interpretation by the courts. In this case, the Minister of Energy, Mines and Resources confirmed very clearly to this House that he had had all necessary consultations and that there was no doubt in his mind as to the legality of that line of action. Again, if the Leader of the Official Opposition has doubts about that, I will inform the minister about them and it will be up to the courts to take them into consideration and rule upon them in due time. However, as far as we are concerned, we have no doubt that the process used was legal.

[*English*]

CANADIAN WHEAT BOARD

REQUEST FOR STATEMENT ON INITIAL PRICE OF WHEAT—INITIAL PRICE OF BARLEY

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, this is my weekly question to the Minister of Transport. For many months the minister of state in charge of the Wheat Board has been promising that he would make a statement on the adjustment of the initial price of wheat, particularly if the price of wheat was strong at the end of this month.

I would remind the minister that it is now $16 a tonne more than it was on April 28. Is the minister prepared to indicate that the initial price of wheat will be increased from the $3.75 per bushel that was indicated earlier to something like $4.25 per bushel or higher?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the promise made by the minister of state responsible for the Wheat Board was that he would do so before August 1, which is the beginning of the new crop year. That still gives him a few days in which to perform.

Mr. Hovdebo: Madam Speaker, may I remind the minister that the minister of state said he would make the adjustment on June 30. Is the Minister of Transport prepared to reconsider the initial price of barley, since at the moment the Canadian Wheat Board commissioners are complaining that they are unable to get enough barley? We need barley both to feed the stock on the prairies and to fulfil contracts overseas. Is the minister now prepared to do something about the price of barley?

Mr. Pepin: Madam Speaker, usually the initial price, originally and when adjusted, applies to all board grains; that is, wheat, barley and oats. I presume that the minister of state will make his announcement applicable to the three grains.

* * *

HEALTH AND WELFARE

DANGEROUS CHEMICALS USED BY MEAT PACKERS AND PROCESSORS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, my question is directed to the Minister of National Health and Welfare. It has been a well established fact since 1956 that nitrates and nitrites used in the curing and processing of meat and meat products such as bacon, ham and similar products cause cancer when consumed.

In view of the fact that little or nothing has been done to phase out and replace the dangerous chemicals in food, why has the health protection branch of the minister's department, which is well aware of the facts, not been more forceful with the meat packing industry and food processors to ensure they eliminate this dangerous health hazard, when improved technology is already available for the safe curing of meat and meat products and which are not detrimental to health?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): I regret, Madam Speaker, but I do not agree with the last part of the question. The use of nitrosamines came under discussion, among other places, at the Commons Standing Committee on Health, Welfare and Social Affairs last week. Technical information was given to the hon. member by officials. Of course, Canada is working closely with other countries and watching the progress of research for additives as replacements for nitrites and nitrates. However, the rate that we are now accepting in the meat packing industry seems reasonable to us. To our knowledge, there are no product replacements. We are nonetheless most attentive to developments in that area.

[*English*]

Mr. Mitges: A supplementary question, Madam Speaker. In view of the fact that a spokesman for the meat packing industry stated in a press report, referring to the use of nitrates and nitrites, that consumers will never get perfectly safe foods and should not expect them, and in view of the fact that Canadians have every right to expect perfect safety in their food supplies, which is the prime reason why the health protection branch of the Department of National Health and Welfare was set up in the first place, and knowing the minister's genuine concern in this matter, I would ask if she would give real substance to this concern by ordering her department to give the matter the priority it really deserves, in order to give Canadian consumers the food protection they have every right to expect, regardless of her answer to the previous question.

Miss Bégin: Madam Speaker, I understand the concern of the hon. member. I remember he told us that he was a former employee of the Department of Agriculture, I think. He knows the state of the knowledge in that field. He recommended to us at the committee that we should look at the regulations in Scandinavian countries on that subject. I told him, and I repeat to the House, that of course we will be exploring that particular approach to the question and, as with any other development in the field of product replacements for nitrites and nitrates, we will move as soon as that is offered to the market.

* * *

[*Translation*]

BILINGUALISM

FEDERATION OF FRANCOPHONES OUTSIDE QUEBEC—ESTABLISHMENT OF JOINT COMMISSION OF FEDERATION AND FEDERAL GOVERNMENT

Hon. Roch La Salle (Joliette): Madam Speaker, I direct my question to the Secretary of State. On April 23 last, he met

with representatives of Francophones outside Quebec about plans the association has been fostering for a long time about a joint commission, and according to the association's president, the minister seemed to agree to the establishment of such a commission. Could the minister tell the House if he is in favour of establishing such a joint commission and if he is, whether he recommended it, and when we can expect to have an answer to the question?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, as the hon. member has mentioned, I had the pleasure of meeting with representatives of the Federation of Francophones outside Quebec some time ago to discuss the matter of establishing an appropriate consultative forum between the federation and the Government of Canada. In the near future I intend to meet once again with spokesmen for the federation for further discussions with a view to establishing a suitable consultation mechanism. The federation wished to meet with me this week, but as it is impossible for me I agreed to meet them some time next week.

Mr. La Salle: Madam Speaker, I wish to address a supplementary to the minister.

I would like the Secretary of State to be a bit more specific if possible. I know to what extent Francophones outside Quebec are relying on him to make an explicit recommendation. As the minister gave the federation this opinion during one of their meetings, could the minister at least inform the House that he favours the setting up of this commission? He knows which one I mean, in view of the fact that the federation's president said she was concerned about some information to the effect that the government might be tempted to change its mind. Could the minister assure the House that the government does not intend to do so? Could the minister assure the House that he endorses the setting up of this commission, an urgent matter in my opinion?

Mr. Fox: Madam Speaker, the government does not intend in the least to change its mind as it has never promised to set up a joint commission comprised of members of the government and the Federation of Francophones outside Quebec. The hon. member will remember no doubt that this type of suggestion or agreement had been favoured by his government during the electoral period in an endeavour to elicit votes from certain Francophone circles outside Quebec, a tactic which by the way did not give any results.

Madam Speaker, for our part, I do not think there has ever been any doubt as to our commitment with regard to Francophones outside Quebec either from a constitutional or government policy point of view.

[*English*]

INDUSTRY

LAY-OFFS—EFFECT ON SUMMER EMPLOYMENT OF STUDENTS

Mr. David Orlikow (Winnipeg North): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. In recent weeks there have been lay-offs of more than 1,000 workers every working day. As a result of these lay-offs, the opportunities for summer employment for students has dropped by 20 per cent, according to Manpower centres in southwestern Ontario.

● (1450)

I wonder whether the minister has any immediate plans to deal with this problem of lay-offs which is having such an adverse effect on employment of students for this coming summer.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are very concerned about these lay-offs, and that is why we are developing industrial strategy programs to strengthen the entire industrial base of the country.

We have to recognize, however, that to some extent our problem is due to the weakness of the economy of our major trading partner, the United States. Even though we are putting forward efforts to blunt the impact of that situation, unfortunately we cannot escape it entirely.

Mr. Orlikow: My supplementary question is to the Parliamentary Secretary to the Minister of Employment and Immigration. Given the fact that we have almost 500,000 young people up to age 25 unemployed, and that the number of young people unemployed has increased by 70,000 in the last month, does the Department of Employment have any plans for employment programs which will put our young people to work for the summer, who need work so desperately if they are to be able to go back to universities and community colleges?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, the hon. member certainly knows that there is a transition period during the months of May, June and July concerning the students who are finishing their studies before getting into the labour market. Traditionally, it has been during the month of June that the unemployment statistics have been a little higher, but when we get to July and August these statistics come down.

I am quite sure that with the programs established by this government we shall be able to increase the number of students working during this summer, not only in the government programs but in the private sector.

Some hon. Members: Hear, hear!

Oral Questions

AIRPORTS

IMPROVEMENT OF FACILITIES AT MOUNT HOPE—
MAINTENANCE OF NORDAIR SERVICE BY QUEBECAIR

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Transport. I want to make one final approach—

Some hon. Members: Oh, oh!

Mr. Scott (Hamilton-Wentworth): —on the future plans for Mount Hope airport before Parliament takes off for the summer recess.

An hon. Member: That is in Hamilton.

Mr. Scott (Hamilton-Wentworth): Will the minister please tell us when he will be in a position to announce a decision on this matter which is so vital to the entire Hamilton-Niagara-Brantford region? Before he answers "soon", can he say how soon is soon?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sure that my hon. friend, when he goes home, has noticed some improvement taking place at the Hamilton airport. There is new paving on the runways and I presume he is more comfortable now when he lands.

With respect to the over-all program for Hamilton, this is being studied now in the general context of expenditures on airports. I hope to have news for him when he comes back in the fall.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I am delighted the minister can confirm that some of the grass is being paved at the Mount Hope airport. However, I would really like to know whether the minister can confirm the sale of Hamilton civic airport's prime carrier, Nordair, to the owners of Quebecair, and can he assure the people of my area that Nordair's service into and out of Hamilton will be maintained under its new ownership?

Mr. Pepin: Madam Speaker, I am quite sure that no purchaser of the company would relinquish the privilege and advantage of serving Hamilton. But I will be making very sure of that before a sale is made.

VICTORIA—PROVISION OF RADAR EQUIPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is also to the Minister of Transport. Is the minister aware that within the last 13 months, at an airport without radar, there have been 19 near misses, many of which could have been avoided had radar been in place?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we have this afternoon and on other days a clear indication of the needs that Canadian airports have with respect to equipment, runways, terminals, etc. We are trying to satisfy most of these wishes while living within our means.

With respect to radar at Victoria, as I indicated in a letter that I have written to my hon. friend, it is in the program. We do not think Victoria is endangered by the situation that exists now. The hon. member can disagree with that, however. But it is within our program to include these facilities at Victoria.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, it is quite obvious that the minister is not aware that on two successive days on the landing flight path, small aircraft ran into parachutists that were not announced either to the control tower or to the pilot of the aircraft.

An hon. Member: Liberal candidates.

An hon. Member: It was Mackasey.

Mr. Hees: They were those twinning fellows.

Mr. Munro (Esquimalt-Saanich): On the second occasion the pilot had to dodge as many as 30 parachutists. They were American parachutists on the flight path, but within the control area of the control tower. Does this, at last, convince the minister that there is a new priority that ought to be assigned to the establishment of radar at Victoria international airport?

Mr. Pepin: No, Madam Speaker. I am aware of two near misses, one that took place at Victoria and one at Vancouver in recent days. I checked on that this morning, and inquiries are being made by the Department of Transport, which is the normal procedure in these matters.

* * *

THE CONSTITUTION

INPUT OF NATIVE GROUPS IN DISCUSSIONS

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Prime Minister. Given the numerous representations which the government has received from various native groups, the FFHQ and others, for meaningful input into the current constitutional process, has the government now decided on an appropriate means to ensure that the special concerns of groups such as these will be heard in the process?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member will remember that following our meeting on June 9 with the premiers, I reported to the House that I had suggested some enlarged type of forum, such as the one suggested by my friend, the Leader of the NDP.

Some hon. Members: Oh, oh!

An hon. Member: Is he still your friend?

Mr. Trudeau: Yes, that was a wasted word: he is not even listening.

Some hon. Members: Oh, oh!

Mr. Trudeau: I reported that the position of the premiers at that time was that we should continue within the restricted forum that we had created for the purpose of the meeting on June 9. I believe that is the position, an honourable one, which was supported by the Leader of the Opposition.

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NORTHERN AFFAIRS

REPRESENTATION BY YUKON AND NORTHWEST TERRITORIES COUNCILS AT MEETINGS OF FIRST MINISTERS

Hon. Jake Epp (Provencher): Madam Speaker, at the Liberal party convention in Winnipeg a resolution was passed by the delegates saying "the delegates require that the Yukon Council and the Northwest Territories Council be represented at meetings of first ministers so that the people of the north will be directly represented by their locally elected members."

In view of the position of the government, namely, that the elected officials of these two territories are not to be represented by actually sitting down with the first ministers, is the Prime Minister now rejecting the resolution passed by his own delegates in Winnipeg?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker. The hon. member will realize that I was referring only to the meeting of June 9 encompassing the meetings taking place this summer. I indicated at the time, and I repeat, that we have in the past and will in the future continue to include in our delegations representatives from the territories and representatives from other groups.

Under the present framework of federal-provincial meetings, the premiers, I think quite properly, indicated that it would not be quite right for the federal government to bring a lot of other representatives with a voice and a vote of their own into meetings which until now have been comprised of the 11 first ministers.

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FISHERIES

FLOW OF WATERS IN BRITISH COLUMBIA—EFFECT ON SALMON STOCKS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Minister of Fisheries and Oceans. I am sure the minister knows he ordered, in late June, that the Aluminum Company of Canada increase the flow in the Nechako River to 1,000 cubic feet per second. The Aluminum Company of Canada has now publicly stated its intention to only increase the flow to 850 cubic feet per second. I have taken the time to contact the officials in British Columbia, and the flow today is only 800 cubic feet per second.

I wonder whether the president of Alcan is the minister of fisheries, or whether the Minister of Fisheries and Oceans who is seated here in the House today is. Perhaps he could advise the House today—everyone here—whether or not it is still his opinion today that the flow in the Nechako River, for the protection of salmon stock, is 1,000 cubic feet per second.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the figure of 1,000 c.f.s. is one which was given many years ago. There is a debate on whether or not a figure somewhat below 1,000 would be adequate.

An hon. Member: There was no salmon in those days.

Mr. LeBlanc: We have been measuring and monitoring that very closely. We have made it clear to the Aluminum Company of Canada that if in our judgment, because we have to protect the fish that are moving in and out of that area, the flow was inadequate, then obviously we would go to court if necessary to make sure that the resource is protected.

● (1500)

I have not had a report on this issue since last Friday. I hope to have one when I get back to my office this afternoon. It is not our intention to allow an operation of this type to wipe out the very important run of the fishery.

Mr. Fulton: Madam Speaker, I assume the minister is telling us it is his opinion that 1,000 cubic feet per second is required, because less than a month ago he ordered that and the Aluminum Company of Canada has come out and said that it does not intend to comply with what the minister said.

We have seen the frontier attitude of the minister in western Canada with reference to Riley Creek and other incidents. Will the minister confirm whether the opinion he held two weeks ago, of 1,000 cubic feet per second, is still held by him today, and whether he intends to use section 20(10) of the Fisheries Act to protect the fishery in British Columbia?

Mr. LeBlanc: The hon. member seems to be totally tied to the figure of 1,000, which was a ballpark figure.

Mr. Fulton: It was your figure.

Mr. LeBlanc: If the hon. member will be patient, I will try to explain. The fact is that 1,000 was considered to be desirable. There are, however, conditions of temperature, that is, how warm the season is or is not, what natural flow comes from areas besides the dam where the overspill occurs. This is being monitored.

I have not had a request from my department to take further action at this time. Following the hon. member's question this afternoon, I will obviously be checking with them. If, in the opinion of the scientists in my department—not my opinion—it is necessary to request more water, then we will do that.

Oral Questions

ENERGY

LEGALITY OF INCREASE IN PRICE OF PETROLEUM PRODUCTS

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is to the President of the Privy Council. It goes back to questions asked by the hon. member for Perth and my leader.

It is a very simple question. Does the government House leader have an opinion from the law officers of the Crown with regard to the legality of the tax that was set at twelve o'clock Friday night?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, this gives me an opportunity to quote an answer given last Friday by the Minister of Energy, Mines and Resources in reply to a question from the Leader of the Opposition, and I quote:

> Madam Speaker, on the first question, this ways and means motion was drafted upon the advice and with the help of the law officers of the Crown.

[*English*]

Mr. Nowlan: Madam Speaker, that was a traverse of the question. Being a lawyer, the government House leader will know what "traverse" is. I do not know the word in French, but in English it is traverse. He avoided the question.

My question is, if he does not have an opinion from the law officers of the Crown, does he intend to get one before this House recesses, if it ever does?

[*Translation*]

Mr. Pinard: Madam Speaker, as I indicated to the hon. member, this is not a question of being a lawyer or not. The fact is the Minister of Energy, Mines and Resources indicated clearly he had consulted with the officials, the law officers of the Crown before acting, and the procedure was entirely consistent with all parliamentary practices dating back decades here in Canada and in Great Britain. We have absolutely no reason at all to doubt the legality of the procedure that was followed, and I do not see why the hon. member persists in requesting that in this case, rather than another, we ask for a specific legal opinion. We on this side are not going to ask for specific legal opinions just because members of the opposition, at a time when they think they could be making political gains, believe a procedure could be illegal.

Once again, as I said, precautions were taken, and the procedure that was followed is in order. We acted pursuant to the rules. We have no reason to doubt the validity of the procedure and we have no intention of following up on the hon. member's question.

[*English*]

PRIVILEGE

MR. DOMM—ALLEGED DISCRIMINATORY TREATMENT SUFFERED BY HON. MEMBER FOR PETERBOROUGH—RULING BY MADAM SPEAKER

Madam Speaker: On Thursday, July 3 last, the hon. member for Peterborough (Mr. Domm) rose on a question of privilege with respect to information and documents that he was supplied by officials of the Department of Secretary of State.

The documents in question which he left with officials of the House are perhaps not as clear on close examination as they might appear at first blush. There is, first of all, what he refers to as the usual monthly reporting form of the persons granted certificates of Canadian citizenship with a stamp "Nil report for this electoral district" and which on the top shows that it is in respect of the electoral district of Peterborough for the month of May, 1980. It is dated June 3, 1980.

The next document referred to by the hon. member is dated May 23, 1980, at 10.30 a.m., Peterborough, is headed "Presentation of Certificates" and has the name of the citizenship court judge. There then follows a list of 55 names, beside each of which is a file reference. This document appears to be a list prepared for the judge of those persons without addresses to whom certificates were to be presented that morning.

The third and final document is the same as the first. That is, it purports to be a copy of the usual monthly reporting form showing a list of persons with addresses granted certificates of Canadian citizenship in the electoral district of Peterborough. However, this report is for the month of June and bears a July 3 date stamp. It also contains only 39 of the 55 names set out in the second document, the one that was given to the judge.

Under the circumstances, it is not clearly shown by these documents that the nil return for the month of May was not correct, because the only return with names of persons granted citizenship is for the month of June, and that one is dated July 3, albeit it shows many of the same names. Furthermore, even if they were shown to be incorrect, falsified or altered, which they have not, there is no indication that they were incorrectly of falsely made with intent to deceive the House, which is a necessary ingredient before it becomes a matter of privilege, as the hon. member correctly quoted from Erskine May.

If the hon. member complains about the poor service he is receiving from the Department of Secretary of State because it sent him documents which are incorrect or false and also too late to be of any use, it seems to me that all members could have the same complaint. In any event, the Chair has considerable sympathy for the member regarding difficulties that a member often incurs with respect to citizenship matters. A real difficulty lies, however, in the fact that the hon. member bases his question of privilege on the complaint that his ability to discharge his responsibility to his constituents is severely hampered by not receiving these lists.

While I am only too aware of the multiple responsibilities, duties, and also the work the member has to do relating to his

constituency, as Speaker I am required to consider only those matters which affect the member's parliamentary work. That is to say, whatever duty a member has to his constituents, before a valid question of privilege arises in respect of any alleged interference, such interference must relate to the member's parliamentary duties. In other words, just as a member is protected from anything he does while taking part in a proceeding in Parliament, so too must an interference relate to the member's role in the context of parliamentary work.

Under the circumstances, in this instance, therefore, I cannot find a prima facie case of privilege.

MR. TAYLOR—APPOINTMENT OF "TWIN MEMBERS" IN CERTAIN WESTERN CONSTITUENCIES—RULING BY MADAM SPEAKER

Madam Speaker: The hon. member for Bow River (Mr. Taylor) also rose on a question of privilege on Thursday, July 3. His concern was whether public funds were being used by a member of the staff of a minister of the Crown in respect of work relating to the appointment of government members as twin members in certain western constituencies. If so, he suggests it would be an abuse and would amount to usurping and interfering with the elected member and his work in the constituency. The hon. member also had two other concerns with respect to the implementation of the twin member concept. One was whether any public funds were being used by those twinned MPs and, second, whether the mail from his constituents and his own mail to ministers of the Crown was being directed to the twin MP.

The hon. member received considerable support from the Leader of the Opposition (Mr. Clark), who elaborated on the effect such action could have. However, the right hon. member himself said we have no guarantee that this is the case.

● (1510)

While expressing concern for the preservation of democratic principles, the hon. member for Bow River did not direct the attention of the Chair to any specific instances of improper conduct by any particular member of this House. Furthermore, he will appreciate that, while the conduct of a member of this House may be raised by another member, Mr. Speaker Michener said in 1959 that an hon. member should not be required to submit his conduct for investigation by the House or a committee thereof until he had been charged with an offence by another member.

I therefore feel, in this case again, that I cannot find a prima facie case of privilege.

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POINT OF ORDER

MR. MUNRO (ESQUIMALT-SAANICH)—WITHDRAWAL OF UNACCEPTABLE EXPRESSION USED IN DEBATE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a point of order related to an incident which took place in the House last evening. As you will attest, I hope, it is not my general practice to be disrespectful in this House or toward this House. I have too much regard for the institution to behave otherwise. It therefore takes extreme provocation and a blatant display of disregard for the niceties of verbal performance in this chamber to cause me to overstep the bounds of propriety and use an expression which I know to be unacceptable in Beauchesne's sight. I do not deny using such an expression, but I was merely pleading for the truth. I expect others to treat this House with equal respect and regard and when there is an outrageous failure to do so my intolerance knows no bounds.

Some hon. Members: Oh!

Mr. Munro (Esquimalt-Saanich): Such was the case last evening when in an exasperated outburst I adjured the Minister of Industry, Trade and Commerce (Mr. Gray), as recorded at page 2869, to adhere to the truth but added an expression meaning the same thing, although it was in a form to which exception is likely to be taken. I offer now to withdraw the offending word and urge the minister to show similar respect for this House and the Chair and to restore his good name by making a similar gesture. He could do so by repudiating the unspeakable assertions he perpetrated yesterday when he attributed views to the Conservatives by putting words in the mouth of the hon. member for Calgary Centre (Mr. Andre) which that member at no time expressed or espoused and which Conservatives had at no time voiced or would wish to voice.

I withdraw, Madam Speaker, and urge the minister to do likewise.

Madam Speaker: I appreciate the point made by the hon. member for Esquimalt-Saanich (Mr. Munro). Such outbursts of emotion often occur in the House and it is in the spirit of this chamber that a gesture such as the one which has been offered by the hon. member is accepted. The withdrawal is accepted and I think we will not discuss this matter further.

The Secretary of State.

Mr. Fox: Madam Speaker, yesterday afternoon during the course—

Mr. Domm: Madam Speaker—

Madam Speaker: Could I be clear about this? Is the hon. member for Peterborough (Mr. Domm) seeking the floor on a point of order flowing from the discussions we have just had? Yes or no? Then I recognize the Secretary of State.

* * *

PRIVILEGE

MR. FOX—REMARKS IN DEBATE BY HON. MEMBER FOR PETERBOROUGH

Hon. Francis Fox (Secretary of State): Madam Speaker, during the course of the proceedings yesterday afternoon,

while we were discussing the question of privilege upon which you have just ruled, the hon. member for Peterborough (Mr. Domm) made a statement which to my mind raises a new question of privilege on my part. In the course of that debate he indicated he would have been given false documents by the minister himself, by myself. Madam Speaker, I would like to reserve or have clarification on the point—

Mr. Nielsen: I rise on a point of order, Madam Speaker. The hon. member for Peterborough is attempting to catch your eye to raise a point of order to correct *Hansard* to dispose of the matter which has been raised by the minister, thus saving the time of the House.

Madam Speaker: Order, please. All I want to do is to make quite clear how I am handling this matter. The hon. member for Peterborough rose on a point of order. I asked him whether that point of order arose from the deliberations we had just concluded. He did not answer; he sat down again. Previous to that I had recognized the Secretary of State so I did, quite correctly, I think, go back to the Secretary of State. I must hear the Secretary of State and I would be delighted to hear the hon. member for Peterborough.

Mr. Domm: I rise on a point of order, Madam Speaker, pertaining to this very matter. I did nod my head, Madam Speaker, and I apologize for not being more vocal in my interests on my point of order.

My point of order stems directly from the notice given by the minister arising from the discussion here today, and that is that yesterday in this House the minister indicated that he intended to rise, perhaps, on this question of privilege. The point of order is this. At the top of page 2856 of *Hansard* yesterday the word "minister" appears and I would ask that it be changed to "ministry". It further goes on to explain in the third paragraph, as I detail the explanation, that it is the ministry which is in question, not the minister, as explained in the third paragraph where I say "namely that this matter of discriminatory treatment of members of Parliament by the Department of Secretary of State through the issuance of false documents—"

So I would ask that *Hansard* be changed to read "the ministry" instead of "the minister" at the top of page 2856, which is elaborated in the third paragraph to explain the error.

[*Translation*]

Mr. Fox: Madam Speaker, I think the hon. member might do well to withdraw his remarks. In my opinion it would be appropriate that he retract and apologize for having used those words, because substantially what he said in English has been well understood in the usual way we understand words in the House when he said—

[*English*]

"I had been given false documents from the minister in question".

To begin with, the question of false documents has not been established and once again the hon. member is raising the question of false documents. He knows full well, because I told him yesterday, that of the 53 people sworn in in Peterborough on May 23, only 39 were from his riding. The Peterborough court held a swearing-in ceremony which applied to at least five federal ridings. As a matter of fact, people from any part of the country could receive their citizenship papers from the Peterborough court and the names would not be sent out to the hon. member.

The hon. member also knows that if he received a list on July 3 it was one month to the day after the previous list was sent to him on June 3, a list which was sent to him at the same time as it was sent to all members of Parliament. It is not unusual, Madam Speaker, as we all know, for members of Parliament to receive a nil report list. In the month of June, out of a total of 46 members who received nil report lists, 34 were Liberal members.

So, Madam Speaker, the type of innuendo which has been cast upon the Secretary of State Department by the hon. member is totally without foundation. Not only has the hon. member falsely accused the minister, he has also falsely accused the Secretary of State Department and I would ask him, in all decency as a parliamentarian, as a member who sits in this chamber with the rest of us, to withdraw that type of accusation.

Some hon. Members: Hear, hear!

Madam Speaker: My impression on reading *Hansard* was that perhaps the matter raised today by the minister as a question of privilege involves a slip of the tongue rather than an intention of implicating the minister. However, I would think at this point that the hon. member for Peterborough, having given his interpretation and explanation of what he saw in *Hansard*, having raised his question of privilege, and having now heard the minister on his question of privilege, might agree with me that the matter might be closed. Unless some other members wish to continue discussing this question of privilege I would feel the matter should be closed. However, I am in the hands of the House and if other hon. members wish to intervene in the debate I would, of course, have to hear them because it is a new question of privilege.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would simply like to reserve the right to review the record concerning the statement of the Secretary of State (Mr. Fox), particularly with respect to some of the figures he cited. It may well be that upon a review of that record and in particular of the reference to the document cited "nil", a further question will arise. I would not want to lose the opportunity to raise that question in such an event.

● (1520)

POINT OF ORDER

MR. WRIGHT—BILL C-30—QUESTION TO PRIME MINISTER RELATING TO STATEMENTS IN STANDING COMMITTEE

Mr. Bill Wright (Calgary North): Madam Speaker, I hope you will entertain my point of order. It is related to a statement made by the Prime Minister (Mr. Trudeau) yesterday in this House. I was able to check *Hansard* today, and I believe this is a point of order.

I asked the Prime Minister a couple of questions, and in his non-answer to me he said that we should all be aware of commenting on what happens in committee. The question I asked him related to statements made in committee on July 10 with regard to Bill C-30. That bill has been passed in the House, and I asked him questions which were asked in the committee in relation to that bill. They were incidental to the bill, but they were still asked during that period of time. I have checked Beauchesne, and there is no objection to my asking any question in this House related to any item which was in committee, which has come back to the House and which is the property of the House.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): That is no reason, Madam Speaker, for the hon. member not to have looked into or not to look into what went on in committee. Be that as it may the Prime Minister (Mr. Trudeau) has given more details in his answers to the hon. member's questions so that he surely got a more complete answer than he was expecting on the point he had raised. So the Prime Minister started by telling the hon. member, and I recall that very well, that he should be aware of what goes on in committee, but the Prime Minister did not stop at that, he went on with his answer. I do not think the hon. member has a right to complain.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Oberle: Madam Speaker, I rise on a point of order. My point of order is not entirely unrelated to the discussions which have been going on here, but it is more with respect to House business. A report in *The Globe and Mail* seems to indicate that it is the intention of the government to bring in a freedom of information bill before Friday or before the House recesses.

That being the case, I wonder if the President of the Privy Council could indicate whether that is the case, whether such a bill is being introduced and whether it is also the intention of the government, jointly or embraced within that bill, to keep a promise which was made in the throne speech with respect to section 41(2) of the Federal Court Act. Will that also be introduced before Friday?

Point of Order—Mr. Domm

[*Translation*]

Mr. Pinard: Madam Speaker, we keep our promises, and this very day a notice has been given for the introduction of such legislation.

* * *

[*English*]

POINT OF ORDER

MR. DOMM—REQUEST FOR APOLOGY FROM HON. SECRETARY OF STATE

Mr. Bill Domm (Peterborough): Madam Speaker, on a point of order, I ask if the Chair would entertain a response from me with respect to a request for an apology from the Secretary of State (Mr. Fox). Can that question or request go without an answer, or would Your Honour entertain my comments on his request for an apology?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Yes, Madam Speaker, I suggest the hon. member has a nerve to rise on this subject. Through a correction made to *Hansard* he has managed to get away with it after having unjustly accused the minister yesterday. Had he had a minimum of courtesy he would have apologized and withdrawn his allegations. Rather, he chose to proceed by way of a correction to *Hansard*, which does not show much courage to start with. So I regret to see him bring back this subject and try to have a follow-up on the request made by the Secretary of State (Mr. Fox) who asked him in a very courteous and parliamentary way to withdraw his statements. So not only did he act in a less than courageous way by proceeding through a correction to *Hansard*, but he should have withdrawn his words, pure and simple, and he should have apologized to the minister for having misled the House.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I submit respectfully that the hon. member for Peterborough (Mr. Domm) acted quite appropriately. In fact, I can tell Your Honour that he was seeking the floor precisely for the purpose of correcting the record so that the record would be clear. I think that was an appropriate action for him to take.

Given the appropriateness of his action, I say with respect that it would be inappropriate—if the hon. member feels there is a unjust accusation in something the minister has said—if the hon. member is not allowed to reply. Then the Chair would have both sides of the issue, if there is an issue, before it in order to make a decision.

Mr. Domm: Madam Speaker—

Some hon. Members: Come on.

Mr. Waddell: You are wasting the time of the House.

Point of Order—Mr. Domm

Mr. Domm: Madam Speaker, I think the comments made by the minister require a response. When the minister spoke to me yesterday about his request regarding privilege in the House and with regard to speaking to my question of privilege, I advised the minister at that time—since he has brought the subject up today—that if he brought the subject up again in the House yesterday, I would stand and ask for equal time.

That was our discussion. Having said that, he rose, and he now accuses me when I correct one word—which is further explained in the third paragraph—the word "minister" to "ministry". There could be no doubt in the mind of anyone in this House who has listened to the conversation and my accusations since this dispute first arose over this misleading information that I was directing all my comments and my concerns at the minister's ministry and not at the minister.

Having said that and made my comments yesterday, on which the minister has given notice of his intention to rise on a question of privilege, I then said to the minister that I agree that it is his department that I am criticizing. It is his ministry I am criticizing, and I have offered to change the word from "minister" to "ministry". Having said that, the minister then stood up and pursued the subject by asking for an apology, which I consider is not necessary because I am not accusing the minister.

However, if the minister is not going to assume responsibility for his ministry and if his ministry is negligent and remiss and fails to give the right information out to a member of Parliament, then I do not intend to withdraw my accusation. The minister is responsible for his ministry, and he should not ask for an apology when it is his ministry which is negligent.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, there is just one sentence I should like to utter. I hope the next time Your Honour rules with respect to a question of privilege that there is no question of privilege and that the matter is ended, that Your Honour will not allow hon. members to reopen it under the guise that there is a new point.

Madam Speaker: In reply to the hon. member, I think in some instances there might have been a fine line between discussing a new question of privilege and the one on which I had ruled, but as soon as I felt that that fine line was being trespassed upon, both hon. members came back to the question they were supposed to be debating. It often happens that an hon. member wanders by way of explanation without questioning the ruling. I do not think any hon. member did question the ruling.

However, the hon. member is right. Sometimes there is a fine line and I try to watch it, but as soon as I come to the point at which I want to intervene, things seem to be re-established.

PRIVILEGE

MR. NIELSEN—EDITING OF OFFICIAL REPORT—DISCREPANCY WITH "JOURNALS"

Hon. Erik Nielsen (Yukon): Madam Speaker, I have two questions of privilege, both related to *Hansard*. You will recall that on Wednesday, July 9, I raised a question of privilege with respect to the remarks of the hon. member for Thunder Bay-Atikokan (Mr. McRae,) who referred to "bushels of hay", which expression was not accurately reflected. Indeed, it was changed in *Hansard* to refer to "bales of hay".

In addition, you will recall in my remarks when I raised that question that I put before the Chair the deletion from the final record of a whole series of interjections which were in the blues, and which I personally read and checked before returning them to the *Hansard* office .

I want to refer to something even more serious with respect to *Hansard,* and I certainly do not attribute any motive here with respect to the admirable job being done by the *Hansard* reporters. But the malaise seems to have spread.

● (1530)

Some hon. Members: Oh, oh!

Mr. Nielsen: The members of the socialist party to my left might not be interested in running this place as democratic institutions should be run, on the basis of accuracy, but we are.

An hon. Member: What about the pipeline which is costing only $22 billion?

Mr. Nielsen: On April 28 of this year—I am quoting from an extract from *Hansard* of that day at page 449—there appeared a motion put forward by the hon. member for Parkdale-High Park (Mr. Flis) to this effect, and I must quote it so that the differences become apparent. It reads:

That on the fortieth anniversary of the Katyn forest tragedy, this House sympathizes with fellow Canadians of Polish extraction over the great human sacrifices Poland had to endure during the course of the Second World War and declares that those who lost their lives at Katyn and all other sites of tragedy in Poland will long be remembered.

That is the exact verbatim quotation from *Hansard* of that day, and what prompted me to look at this matter was the motion of yesterday. But in checking the *Journals* of April 28 at page 86 and again *Journals* of April 30, page 104, we find the following:

Pursuant to Standing Order 43, on motion of Mr. Flis, seconded by Miss MacDonald (Kingston and the Islands), it was resolved—That this House sympathizes with our—

I emphasize the word "our".

—fellow Canadians of Polish extraction over the great human sacrifices Poland had to endure during the course of the Second World War and declares that those who lost their lives at Katyn and all other sites of tragedy in Poland will long be remembered.

Madam Speaker, you will notice that there has been the insertion in the *Journals* of the pronoun "our" and the deletion from the actual motion cited in *Hansard* of April 28 of the

first phrase, namely, "That on the fortieth anniversary of the Katyn forest tragedy".

The differences and omissions give rise to some very serious questions. The first one, of course, is why are the texts from *Hansard* and from *Votes and Proceedings* quite different? Why were the changes not made in the House, as they should be since they are changes of substantial nature? What has happened to the televised *Hansard*; were similar deletions—and I have not checked that—made there? It may be quite adequately explained if an explanation is forthcoming as to who authorized the changes 'twixt *Hansard* and the *Journals*.

If we are currently to place any reliance on the accuracy of the written record of this place, these things should not happen without some sort of adequate explanation. Certainly for the future if any reliance is to be placed by students—although why they would want to study these matters in any serious way perhaps might be open to question—they too should be able to rely implicitly upon the total accuracy of the proceedings recorded in this place, and certainly when they are transposed to the *Journals*.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I rise on the point of order. I am very glad the hon. member for Yukon (Mr. Nielsen) has brought this to the attention of the House. I do not wish to comment on the first part of his point of order concerning the bales of hay. It was a rather raucous day in the House and I will leave that to interpretation.

On the question of the Standing Order 43 motion in the name of the hon. member for Parkdale-High Park (Mr. Flis), I think the hon. member for Yukon makes a valid point. It is one of my duties on the government side to look at motions under Standing Order 43 when members try to obtain the unanimous consent of the House and check them with all sides before presentation is made at two o'clock. I remember distinctly on that particular day that the words as read by the hon. member for Parkdale-High Park differed from the written text he had shown me earlier.

I do not think there was anything malicious or deliberate in this. This happens from time to time when a member wants to express some sentiments and perhaps deviates a little from the written text. I would say that perhaps there has to be closer collaboration between what is given to the *Journals*, which is the actual written statement, and what is actually said by a member when he makes his point in the House of Commons.

Mr. Nielsen: That is what should be recorded in *Journals*.

Mr. Collenette: We now have three ways of checking. First, we have any document referred to the *Journals* branch; second, the live voice recording; and third, the transcript of the *Hansard* reporter. So that this does not arise in future on matters of great substance, perhaps we could improve our procedure or at least, Madam Speaker, have you look into it to ensure that this does not happen again.

Madam Speaker: I believe there are several ways of checking this. We have now in front of us at least three versions, the written, the spoken one, the one in *Hansard* and an extra one with the televised version. I will have to check on this matter to know whether there have been substantial changes which should not be allowed.

On the first question raised by the hon. member for Yukon (Mr. Nielsen) concerning "bales" instead of "bushels", I would remind the House that some of these corrections, which appear to be slips of the tongue, are normally made as a matter of course by the editors of *Hansard*. This has been an acceptable custom in Parliament.

I should like to read an excerpt from Erskine May on these practices, defining what exactly is *Hansard*, as follows:

It is a full report, in the first person, of all speakers alike, a full report being defined as one "which, though not strictly verbatim, is substantially the verbatim report, with repetitions and redundancies omitted and with obvious mistakes corrected, but which on the other hand leaves out nothing that adds to the meaning of the speech or illustrates the argument."

Another quotation from "An Encyclopedia of Parliament" says:

A certain amount of revision is bound to be necessary... For instance, the tangled sentence—

Also there are repetitions, especially when they are subject to interruptions, which seems to have been the case in this particular instance.

—must be sorted out if they are to make sense when committed to paper;

What appears to be a *lapsus linguae*, of course, can be corrected. Therefore, on the first point, it seems quite obvious that it was probably a *lapsus linguae*, the kind of correction which is acceptable in *Hansard*. But I will check the second point to see whether all the versions differ substantially.

Mr. Nielsen: Madam Speaker, you said something which rather alarmed me with respect to my second point, namely, that there were three methods of checking. May I submit to you, Madam Speaker, that there is only one official record of the proceedings of this House, and that is the record that is taken here by the *Hansard* reporters, and indeed it is so entitled on every issue we get: it is the "Official Report" of the proceedings of the House of Commons. What is said in the House, the actual wording of the motions that a member uses, is, in my submission, what should appear subsequently in *Journals*, not something submitted for vetting or whatever to the parliamentary secretary or to anyone else.

With respect to the first point, Madam Speaker, may I again draw your attention to the omission of a whole series of interruptions or interjections that were made after the statement of the hon. member for Thunder Bay-Atikokan. In order to make that change meaningful, all those interjections had to be omitted. I find that practice questionable.

Madam Speaker: It seems to me that we should not eliminate the advantage we have of checking what is written in *Hansard*, taken down by the *Hansard* reporters in this House which sometimes is not completely audible because of the cheers and heckling that sometimes take place in the House. It

seems to me that the televised proceedings offer a unique chance of counterchecking. Of course the official version is the one in *Hansard*, but I think these other means of checking should be used by the House in order to make sure that what appears in *Hansard* is exactly what the member said or what he meant, because we do admit slips of the tongue, do we not?

Mr. Nielsen: That was no slip.

● (1540)

MR. GURBIN—DISTRIBUTION OF GOVERNMENT INFORMATION TO DEFEATED LIBERAL CANDIDATE

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, on my return today I learned that in my absence yesterday the hon. member for Bruce-Grey (Mr. Gurbin) raised a question of privilege concerning the announcement of a small craft harbours project.

First of all, there is no formal procedure in place for announcing the approval of small craft harbours projects, except in the call of the tender which is normally done by the Department of Public Works. Tenders are called, and if members or other parties have shown an interest in particular projects, my office tries to inform them of the approval of the projects, which of course predates the formal calling of tenders.

The point I wish to make is that I have no record of the hon. member for Bruce-Grey indicating an interest in the project at Dyer Bay. Had he approached either myself or my office and informed me that he would like to have detail of the project at Dyer Bay, he would have been told once the project was approved. In fact, many hon. members of the House know that when inquiries are made they are usually answered. Many of his own colleagues have received information from my office that certain projects in which they had expressed an interest were going ahead or had been approved.

When the hon. member for Bruce-Grey contacted my office on July 10, he was informed that the Dyer Bay project had been approved. In my view there is no question of privilege. If there has been a discourtesy, obviously I apologize to the hon. member.

* * *

[*Translation*]

TRANSPORT

BILL C-18—CORRECTION TO THIRD REPORT OF STANDING COMMITTEE

Mr. André Maltais (Manicouagan): Madam Speaker, I rise to point out an oversight concerning the third report of the Standing Committee on Transport which was considering Bill C-18. I was advised that under clause 2 in the French version of the third report of the Standing Committee on Transport appeared an amendment which should not have been there because it was not considered in committee. The amendment reads as follows and I quote:

Strike out lines 22 and 23, on page 2, and substitute the following therefor:

"ous goods or containers, packaging, means of transport or facilities used in the handling,"

That amendment was not moved because another amendment was substituted therefor and passed. It appears in the report as follows:

In the French version only, strike out lines 5 to 13 inclusive, on page 2, and substitute the following therefor:

« «indication de danger» Toute information destinée à signaler les risques présentés par des marchandises dangereuses, ou la conformité aux normes de sécurité, quels que soient sa forme et son support, à placer en évidence sur ces marchandises et les conteneurs, emballages et moyens de transport utilisés pendant leur manutention ou leur transport ou à l'occasion d'une demande de transport les concernant.»

In the French version only, in clause 21, lines 9 to 18 inclusive, on page 17, the words *ou installations* should be added immediately after the word *locaux*. They do not appear in the report; the amendment should read as follows:

Article 21

Retrancher les lignes 9 à 18 inclusivement, à la page 17, et les remplacer par ce qui suit:

«*e*) d'exclure de l'application de la présente loi et de ses règlements ou de certaines de leurs dispositions la manutention, la demande de transport ou le transport de marchandises dangereuses et de déterminer à cette fin des critères relatifs à la quantité et à la concentration des marchandises, aux circonstances, aux lieux, locaux ou installations, aux objectifs, aux emballages, aux conteneurs ou aux moyens de transport;»

Anyway, I will table this document.

* * *

[*English*]

PRIVILEGE

MR. MASTERS—RECOGNITION OF GOVERNMENT MEMBERS DURING QUESTION PERIOD

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I rise on a question of privilege. I will not take up much of the time of the House, but I should like to point out to the Chair that, while I recognize the difficulty in trying to keep order in the House and to give due recognition to all members, I would hesitate to think there is an over-reaction to a request by hon. members on the other side that we not be recognized as frequently as we had been. It occurs to me that today not one member from this side was recognized. I think we did better yesterday by one.

An hon. Member: Shame.

Mr. Masters: Certainly I concede the fact that question period is primarily for the opposition, but as a member of Parliament I feel my duties and responsibilities as a member are impeded if I do not have any opportunity to ask questions of ministers. I do not ask for equal time of the opposition to query ministers; I just ask that we have some time.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member's point is well taken. I think I can say honestly that there is no over-reaction on my part. I agree with him that the question period belongs to the opposition, and I thought more so in what might be the last week of this session.

ROUTINE PROCEEDINGS

[*Translation*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

TABLING OF ANNUAL REPORT FOR 1978

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, under the provisions of Standing Order 41(2), I wish to table in both official languages copy of the annual report on the Corporations and Labour Unions Returns Act for 1978.

* * *

[*English*]

TREASURY BOARD

TABLING OF LIST OF COST-CONTROL PROJECTS

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, in accordance with the provisions of Standing Order 41(2), I wish to table in both official languages copies of the list of cost-control projects reported to Treasury Board as of September 15, 1979.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

NORTHERN PIPELINES

IMPENDING GOVERNMENT DECISION RESPECTING ALASKA GAS PIPELINE PRE-BUILD SECTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, for the serious reasons I made quite clear to Your Honour in a letter which I sent to your office earlier today on the important subject of the proposed pipeline through Canada from Alaska, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell), the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the decision to be reached on Thursday by the government concerning the propriety of pre-building a section of the northern pipeline without assurances that the entire pipeline will be built.

Order Paper Questions

Madam Speaker: The hon. member for Oshawa (Mr. Broadbent) has given the Chair the usual notice of his intention to move the adjournment of the House under Standing Order 26. I must remind him the matter which he seeks to have debated under the Standing Order is not a new one.

The decision to pre-build or not to pre-build a section of the pipeline will be reached by a process set out in an act of Parliament, the Northern Pipeline Act. As the hon. member said in his notice, the decision about to be reached by the government "is of profound importance", but that is not a question on which the Chair has to make a determination. In effect, the hon. member appears to be questioning the adequacy of the legislation which does not provide for debate and decision by the House.

Mr. Broadbent: Not at all.

Madam Speaker: The precedents are most clear. On May 20, 1970, on March 21, 1975, on April 30, 1975 and on many other occasions, the Chair ruled that it would be a questionable practice to debate proposed or existing legislation under Standing Order 26. In fact, on April 30, 1975, my predecessor ruled as follows:

> —that the emergency provisions pursuant to Standing Order 26 ought to be distinguished, or their use ought to be distinguished from those items which, in a regular legislative program of the House of Commons and regular legislative consideration, can come before the House by way of amendments to existing statutes, or in any case will come before it in other ways.

The decision referred to by the hon. member is an administrative decision that may be made by the government in accordance with the provisions of a statute.

● (1550)

I should also remind hon. members that this is not a new matter. It is part of a continuing process that has been raised on several occasions in this chamber and which has also been debated in the Standing Committee on Northern Pipelines.

Hon. members do not need me to set down other ways in which this may come before the House. May I refer them to my ruling of July 9, 1980, where I ruled on a somewhat similar matter raised by the hon. member for Vancouver-Kingsway (Mr. Waddell).

It is regretted, therefore, that I have to inform the hon. member that I cannot accept his motion at this time.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following

questions will be answered today: Nos. 69, 232, 347, 396, 628, 824, 831, 898, 924, 1,041, 1,042, 1,043 and 1,044.

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

[*Text*]

CANADIAN EMBASSY IN MOSCOW—SOVIET EMBASSY IN OTTAWA—LOCAL STAFF

Question No. 69—**Mr. Cossitt:**

1. What is the number of persons employed by the Canadian Embassy in Moscow who are not Canadian citizens and, in each case, what is his/her (a) name and address (b) salary (c) job designation (d) date of appointment (e) country of origin and citizenship?

2. To the knowledge of the government, what is the number of persons employed by the Soviet embassy in Ottawa who are Canadian citizens and, in each case, what is his/her (a) name and address (b) salary (c) job designation (d) date of appointment?

3. If any of the persons in part 2 are not native born Canadians, what was their country of origin?

4. Have any persons who are not Canadian citizens and who were employed by the Canadian embassy in Moscow, left such employment in the past six months and, if so, in each case, what is his/her (a) name (b) address (c) reason for leaving?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. There are presently 27 persons employed by the Canadian embassy in Moscow who are not Canadian citizens. Following are the salaries, functions, date of appointment and country of origin of each one.

Name	Salary Roubles (Per Annum)	Job Designation	Date of Appointment	Citizen and Origin
Selivanov V.	4380	Commercial officer	March 1973	U.S.S.R.
Kudryavtseva I.	4020	Admin. officer	June 1973	U.S.S.R.
Slusarenko T.	4020	Trans/admin	Dec 1975	U.S.S.R.
Lysak G.	3804	Dispatcher	May 1972	U.S.S.R.
Rusinov I.	3936	Chauffeur/amb.	Oct 1955	U.S.S.R.
Melnikovski P.	3804	Chauffeur	March 1969	U.S.S.R.
Mityashov G.	3936	Mechanic	June 1972	U.S.S.R.
Pavluchenkov A.	3768	Courier/driver	Jan 1970	U.S.S.R.
Sukanov Y.	3384	Driver	Nov 1978	U.S.S.R.
Kurakin M.	3480	Driver	May 1972	U.S.S.R.
Andreev A.	3384	Driver	July 1976	U.S.S.R.
Balzamov S.	3672	Maint/Driver	March 1980	U.S.S.R.
Zarubin M.	3384	Driver	Sept 1975	U.S.S.R.
Kruglov V.	3384	Driver	June 1977	U.S.S.R.
Drozdova V.	3384	Translator	March 1980	U.S.S.R.
Bykova S.	3480	Translator	Jan 1966	U.S.S.R.
Lapkina Y.	3384	Translator	April 1978	U.S.S.R.
Rybakova L.	3768	Translator	Jan 1971	U.S.S.R.
Bakhtina H.	3384	Translator	June 1976	U.S.S.R.
Tretyakova Y.	3036	Telephonist	Dec 1978	U.S.S.R.
Sokolov V.	3372	Maintenance	Feb 1974	U.S.S.R.
Artyushin V.	2856	Maintenance	Dec 1975	U.S.S.R.
Levchenko A.	2856	Maintenance	Oct 1978	U.S.S.R.
Minayeva V.	2484	Charwoman	June 1963	U.S.S.R.
Novozhilova A.	2196	Charwoman	Dec 1972	U.S.S.R.
Bogdanov V.	3024	Plumber	Aug 1972	U.S.S.R.
Abreu M.	$9840	Senior servant	Aug 1975	Portugal

2. The government is not aware of any persons employed by the Soviet embassy in Ottawa who are Canadian citizens.

3. N/A

4. The following persons who are not Canadian citizens left their employment with the Canadian embassy over the past six months:

Name	Reason for Leaving
Davydova, L.	Husband transferred
Fatyanova, A.	Husband posted
Kuritsin, S.	Personal
Neustroyev, V.	Better work elsewhere
Popikov, A.	None
Mishen, S.	Better work elsewhere
Cherkasova, L.	Better work elsewhere
Nilubov, V.	Better work elsewhere

POST OFFICE—NUMBER OF EMPLOYEES

Question No. 232—**Mr. Herbert:**

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

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): (a) Permanent indeterminate employees 60,490; (b) Term employees 2,809.

HYDROELECTRIC POWER

Question No. 347—**Mr. Herbert:**

What is the current estimated production of hydroelectric power, by province, and what is the estimated production for (a) 1980 (b) 1985 (c) 1990?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

	Actual		Forecast*		
	1978	1979	(a) 1980	(b) 1985	(c) 1990
	(GWh)			(GWh)	
Newfoundland	44,000	42,200	38,700	51,400	51,400
Prince Edward Island	—	—	—	—	—
Nova Scotia	800	1,200	1,000	1,000	1,000
New Brunswick	2,000	3,100	2,800	2,900	2,800
Quebec	85,400	88,500	99,800	134,700	163,900
Ontario	39,200	42,200	37,700	38,100	38,300
Manitoba	17,000	20,400	20,300	20,300	22,400
Saskatchewan	2,600	2,400	2,600	3,400	3,400
Alberta	1,800	1,400	1,800	1,800	1,800
British Columbia	40,600	40,900	43,100	56,600	57,400
Yukon Territory	300	300	300	400	600
Northwest Territories	300	300	300	300	300

*This information is based in known commitments by electric utilities and industrial plants plus best estimates of future commitments to 1990. Figures are given in GWh (gigawatthours) i.e. millions of kilowatthours, under average flow conditions.

CANADAIR FLEXTRAC LIMITED

Question No. 396—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canadair Flextrac Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

Canadair Flextrac Ltd. (Non-Operating)

	(a) 1977	(b) 1978
1. Revenues	—	—
Net Earnings	—	—
2. (a) Grants, subsidies	—	—
(b) Loans, advances	—	—
guarantees	—	—
(c) Investment	None	None
Outstanding share capital (120 Shares @ $1)	$120	$120

ASSISTED HOME OWNERSHIP PROGRAM

Question No. 831—**Mr. Howie:**

Since January 1, 1978, were loans made under AHOP to persons in (a) Fredericton (b) York County (c) Sunbury County and, if so, in each case, how many?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

Number of loans approved in selected areas in New Brunswick under the AHOP program (direct and private) since January 1, 1978 (1)

Location	Loans	Units	$000
AHOP (Direct)			
New Brunswick	1	1	27
Fredericton	—	—	—
York County	—	—	—
Sunbury County	—	—	—
AHOP (Private)			
New Brunswick	113	113	3,760
Fredericton	13	13	452
York County (2)	14	14	486
Sunbury County	3	3	103

(1) No activity after 1978
(2) Includes Frederiction city

POST OFFICE—NUMBER OF PERSONS IN PUBLIC RELATIONS

Question No. 628—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Post Office Department?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Canada Post has a total of 61 employees engaged in public relations, publicity or media relations. Twenty-four are employed at headquarters and 37 in the regions.

INDIAN AFFAIRS—STUDIES ON MARIJUANA

Question No. 824—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of Indian Affairs and Northern Development?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): $10,945 was provided by the department to the Inuit Tapirisat of Canada (July 1979—April 1980) to prepare a report on the "Use of Non-Medical Drugs among Inuit in Southern Canada". A section of the report studied the use of marijuana.

CANADIAN FARM LABOUR POOL—SUSSEX, N.B.

Question No. 898—**Mr. Corbett:**

1. What are the services provided by the Canadian Farm Labour Pool (CFLP) to farmers and agricultural workers.

2. Will the CFLP office be closed in Sussex, New Brunswick and, if so (a) will there be alternate facilities established to provide services to farmers and workers (b) will alternate facilities be provided in the area for the training of unskilled labourers (c) what amount of revenue will be lost to the area (d) will the local Agricultural Manpower Board remain as an active advisory board facilitating the area?

3. What would be the approximate annual cost for an individual farmer to perform the services that are now provided by the CFLP?

4. (a) How many employees have been provided through the CFLP to Sussex, New Brunswick area farmers since 1974 (b) how many (i) temporary (ii) permanent positions have been filled?

5. How many persons have received training through the CFLP facilities in Sussex since 1974 and in what skills?

6. Is the manager of the CFLP responsible for many duties other than those required under the previous structure?

7. Does the manager of the CFLP have the use of his secretary on an exclusive basis?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. The services provided by Canada Farm Labour Pools (CFLPs) are recruitment and placement, worker orientation, worker maintenance, payroll service, and relief milker service. The pools also provide, under the guidance of Local Agricultural Manpower Boards, information and advice on wage rates, employment standards and

worker accommodation requirements. They work closely with Canada Employment Centres, particularly where a need for workers from outside the local area, for employment training or for other services, such as counselling, is indicated. In addition, the pools assist, as needed, with the delivery of federal and provincial employment programs and services, generally.

2. The CFLP in Sussex, N.B., will continue operations this year, with the support of the established Local Agricultural Manpower Board. (a) (b) (c) not applicable; (d) Yes.

3. It is not possible to determine such a cost.

4. (a) 338

(b) (i) Sixty five casual vacancies filled (representing employment of less than five days duration).

(ii) Two hundred seventy-three regular vacancies filled (representing employment of five or more days duration).

5. None. CFLPs do not provide training.

6. The major change from the previous structure is that the CFLP manager's sole responsibility is to provide service specifically to the agricultural community. The Canada Employment Centre is responsible for all sectors of the labour market.

7. No. The manager of the Sussex CFLP does not have a secretary but has clerical support available to him, as required, from the local Canada Employment Centre (CEC).

COMMISSION—REVIEW OF SALARIES—MEMBERS OF PARLIAMENT—SENATORS

Question No. 924—**Mr. Mitges:**

1. What are the terms of reference of the recently appointed commission to review salaries and allowances of members of parliament and senators?

2. What is the amount of money, salary and remuneration that will be paid to each member of the commission?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. See sessional paper No. 321-4/20 tabled on May 14, 1980, by the President of the Privy Council.

2. An honoraria of $250 per diem each while on duty as commissioners and a non-accountable living allowance of $90 per diem each and actual transportation expenses while in travel status away from their normal places of residence in connection with the conduct of the commission.

EXTERNAL AFFAIRS—PROMOTIONS FOR SCYs

Question No. 1,041—**Miss MacDonald:**

In the Department of External Affairs, how many secretaries classified as (a) SCY-1 (b) SCY-2 (c) SCY-3 were (i) eligible for promotion (ii) promoted in each year 1970 to 1979?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Appointment files, including promotion records for the ST-SCY group are only maintained for a period of two years following the expiry date of the eligible list which is established by the selection board. Therefore in response to this question our information only covers the years 1977 to 1979 inclusive. It is not possible either to be certain that candidates eligible for promotion (as per part (i) of the question) will apply since employees who may be eligible frequently choose not to apply for reasons known only to them. The figures below reflect only those candidates who met the basic requirements of the competitions.

1977 — ST-SCY-1—Eligible for promotion 252 promoted—195

ST-SCY-2—Eligible for promotion 122 promoted—93

ST-SCY-3—Eligible for promotion 40 promoted—12

1978 — ST-SCY-1—Eligible for promotion 12 promoted—5

ST-SCY-2—Eligible for promotion 1 promoted—1

ST-SCY-3—Eligible for promotion 0 promoted—0

1979 — ST-SCY-1—Eligible for promotion 2 promoted—1

ST-SCY-2—Eligible for promotion 5 promoted—2

ST-SCY-3—Eligible for promotion 1 promoted—1

EXTERNAL AFFAIRS—PROMOTIONS FOR CLERKS

Question No. 1,042—**Miss MacDonald:**

In the Department of External Affairs, how many clerks classified as (a) CR-1 (b) CR-2 (c) CR-3 (d) CR-4 (e) CR-5 were (i) eligible for promotion (ii) promoted in each year 1970 to 1979?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Appointment files, including promotion records for the CR group are only maintained for a period of two years following the expiry date of the eligible list which is established by the selection board. Therefore in response to this question our information only covers the years 1977 to 1979 inclusive. It is not possible either to be certain that the candidates eligible for promotion (as per part (i) of the question) will apply since employees who may be eligible frequently choose not to apply for reasons known only to them. The figures below reflect only those candidates who met the basic requirements of the competitions.

1977 — CR-1—Recruitment into the department is done at the CR-2 level.

CR-2—Eligible for promotion 48 promoted—30

CR-3—Eligible for promotion 99 promoted—43

CR-4—Eligible for promotion 134 promoted—39

CR-5—Eligible for promotion 43 promoted—25

1978 —	CR-2—Eligible for promotion	43 promoted—	30
	CR-3—Eligible for promotion	83 promoted—	33
	CR-4—Eligible for promotion	17 promoted—	6
	CR-5—Eligible for promotion	17 promoted—	7
1979 —	CR-2—Eligible for promotion	13 promoted—	5
	CR-3—Eligible for promotion	6 promoted—	3
	CR-4—Eligible for promotion	4 promoted—	2
	CR-5—Eligible for promotion	1 promoted—	1

EXTERNAL AFFAIRS—SCY POSITIONS—YEARS OF EXPERIENCE

Question No. 1,043—**Miss MacDonald:**

In the Department of External Affairs, what was the average number of years of experience among those promoted from (a) SCY-1 to SCY-2 (b) SCY-2 to SCY-3 (c) SCY-3 to SCY-4 for each year 1970 to 1979?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): As was the case of question 1,041 the department does not maintain appointment (competition) records for the ST-SCY group for the years 1970 to 1976 inclusive. Further the principle of promotion based on merit as set forth in the Employment Act restricts departments from according seniority or numbers of years of experience extra marks in the selection process. Employees' applications will therefore from time to time be most complete with respect to exact years of experience and in other cases will simply reflect the minimum requirements called for on the competition poster. Our promotion records therefore do not contain information as to the average number of years experience on all eligible candidates. Public Service Commission regulations in fact permit employees to apply in competitions even though they may have no direct experience in the SCY group. Their indirect or other related experience may in fact be sufficient to meet basic requirements for any competition and any assessment of such an individual's average years of experience would be an estimate at best. It is nonetheless conceivable that an exhaustive review of all promoted employees' file (as distinct from competition or selection files) might result in an estimate of their years of experience at the time of promotion. We estimate that such a review of files might involve as much as 20 working days' (one month) research by at least one employee and we are not entirely sure the results would be very meaningful or valid.

EXTERNAL AFFAIRS—CLERICAL POSITIONS—YEARS OF EXPERIENCE

Question No. 1,044—**Miss MacDonald:**

In the Department of External Affairs, what was the average number of years of experience among those promoted from (a) CR-1 to CR-2 (b) CR-2 to CR-3 (c) CR-3 to CR-4 (d) CR-4 to CR-5 (e) CR-5 to CR-6 for each year 1970 to 1979?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): As was the case of question 1,042 the department does not maintain appointment (competition) records for the CR-group for the years 1970 to 1976 inclusive. Further the principle of promotion based on merit as set forth

in the Employment Act restricts departments from according seniority or numbers of years of experience extra marks in the selection process. Employees applications will therefore from time to time be most complete with respect to exact years of experience and in other cases will simply reflect the minimum requirements called for on the competition poster. Our promotion records therefore do not contain information as to the average number of years experience on all eligible candidates. Public Service Commission regulations in fact permit employees to apply in competitions even though they may have no direct experience in the CR group. Their indirect or other related experience may in fact be sufficient to meet basic requirements for any competition and any assessment of such an individual's average years of experience would be an estimate at best. It is nonetheless conceivable that an exhaustive review of all promoted employees' files (as distinct from competition or selection files) might result in an estimate of their years of experience at the time of promotion. We estimate that such a review of files might involve as much as 20 working days (one month) research by at least one employee and we are not entirely sure the results would be very meaningful or valid.

[*Translation*]

Madam Speaker: The questions mentioned by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO INCREASE AMOUNT OF SPECIAL DRAWING RIGHTS

Hon. Pierre Bussières (for the Minister of Finance) moved that Bill C-5, to amend the Bretton Woods Agreements Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

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

He said: Madam Speaker, as you have stated, the House has now reached the third reading stage of the bill which aims at increasing the Canadian participation in the International Monetary Fund and which is entitled "An act to amend the Bretton Woods Agreements Act". Hon. members will recall that the International Monetary Fund was created in 1944 during an international monetary and financial conference held in a village in the United States called Bretton Woods,

which is why these agreements are known as the Bretton Woods Agreements. As I said earlier, this bill aims at increasing our monetary participation in the fund.

Your Honour has stated that the bill has been reported to the House by the standing committee. The committee has carefully studied the bill. Many questions were raised about it. What is the situation of Canada concerning countries with balance of payments problems and what is the relative position of Canada within the fund? All these questions were examined in depth and with a lot of interest.

I would like to remind the House that the aim of the International Monetary Fund is to promote and ensure stability and order in the exchange rate. I would emphasize also that it strives at developing assistance mechanisms related to the balance of payments so that the member countries can rectify any temporary problem while disturbing as little as possible the international monetary system.

We have also seen, during discussion in committee, that the total subscriptions of member states is now $39 billion in Special Drawing Rights, and it will be remembered that the SDR is now worth $1.50 in Canadian currency. It may also be remembered, Mr. Speaker, that from 40 at the time the International Monetary Fund was established, the number of members has grown to 138, which is due to the number of nations that gained independence over these last 20 years.

The aim of the legislation is to increase Canada's quota to the IMF. It will be remembered that regularly, over five-year periods, fund members are called upon to adjust their quota. Indeed, the quotas are an extremely important aspect of the fund, because they determine the subscriptions of member states to the fund's total financial resources. The size of an individual nation's quota also limits its borrowing capacity under the various mechanisms of the IMF. It must also be remembered that these quotas determine the size of SDR allocations when these are issued. They also are of political significance, because they determine the relative influence of a country within the fund. It will be remembered that in the course of our study in committee, Mr. Speaker, committee members reviewed a table showing the relative importance of various member states, and Canada's relative importance as compared to other nations was extremely interesting. And that increase of our quota within the IMF will indeed allow us to retain that relative position.

Special Drawing Rights are a reserve instrument evolved from a basket of national currencies, a technique that superseded the original technique, that of the mid-forties until 1968, which was based on the gold standard. And currently, the subscription or quota of an individual country to the fund is calculated in the so-called SDRs, and as I said the Special Drawing Right is now worth $1.50 in Canadian currency.

Therefore this bill which amends the Bretton Woods Agreements Act is aimed at increasing Canada's subscription to the International Monetary Fund by replacing the amount of $1.357 billion SDR's by the amount of $2.035 billion SDRs, Canada's quota. This transaction is part of our exchange operations and will have little incidence on our need for Canadian dollars. In fact, the cash payment in Canadian dollars brought about by this increase will amount to ¼ of 1 per cent of the amount, or about $2.5 million. Twenty-five per cent of the increase will be covered by SDRs in the exchange fund; the balance, approximately $748 million, will be covered by term obligations which do not bear interest.

I would like to point out that if all members of the fund accept their respective quotas as proposed, the subscription to the International Monetary Fund will increase, on the whole, by $39 billion SDRs to $59 billion SDRs. This overall increase is designed to ensure a better balance between the importance of the fund's resources and the needs of members of the fund to finance the balance of payments over the next five years.

I would also like to say that Canada's acceptance to contribute this increased quota to the International Monetary Fund had been proposed by the fund's administrators and reinforces Canada's commitment during the recent international conferences to participate and see that the International Monetary Fund plays a much greater role to help countries experiencing problems with their balance of payments or exchange rates.

● (1600)

We know that since 1973, when the oil crisis became very critical, its influence was felt on some currencies and in particular on the balance of payments of certain countries. It has become much more important to consolidate the role of the International Monetary Fund, the World Bank and even of private institutions to help countries having difficulties with their balance of payments to better their lot without creating greater imbalances.

Madam Speaker, in concluding my remarks, I wish to thank all members of the committee who took part in the work done in committee with respect to this bill. As I said at the beginning of my statement, the discussions were extremely interesting and I hope that the work done during the third reading by the House this afternoon will be as fast and efficient as that of the standing committee.

[*English*]

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining this debate on Bill C-5 I find it strange in our deliberations that we often spend considerable time debating matters of little consequence and yet with other matters that have tremendous far-reaching consequences there is often impatience to get on and pass whatever the matter happens to be. When I say that, I do not mean that there is any sinister motive on the part of members. I think it is largely a direct result of members finding that that which appears to be confusing, ambiguous or hard to grasp is something in which automatically they have little interest and they go on to the next thing that appears to be somewhat easier to understand.

I say that because I ask the House to be patient with me as I mention a few thoughts concerning the Bretton Woods Agreements Act, and the International Monetary Fund. Frankly, we are sitting in a climate as far as the world is concerned that is very unpredictable. We may be closer to an economic collapse than any of us care to believe. I believe the time has come when we, as perhaps the seventh strongest nation in the free world, should be addressing our thoughts, certainly domestically, to what we can do to try to avert this collapse. We should also consider what can we do of an international nature if the collapse is to be avoided.

I felt that in committee we had a worth-while hearing as to what were certain of the minister's views on this bill, the ongoing position with respect to the International Monetary Fund and what was the exposure. In short, I felt that some of the answers given in committee, while perhaps truthful and honest, were quite alarming.

First, I would like to recall for hon. members that as we live with inflation in this country, and to a greater or lesser extent with inflation in other countries, let us not forget that this is a highly unusual phenomenon. Inflation is not a natural thing. The byproduct of inflation, high interest rates, is not a natural phenomenon. I find it is alarming to hear, especially the socialists to our left—even their leader—rationalizing inflation and basically an unsound monetary and fiscal position as if it were something normal. I will come back to that a little later.

Let us not forget that when this country was formed in 1867 the world of that time, as far as economic conditions were concerned, was relatively stable. I think members might be interested to note that as we live with ever-rising interest rates and with an anxiety as far as the investment community is concerned in putting money out beyond five, ten, certainly 20 years, today the average investor is asking what he can get on his money for the next 90 days or one year. He does not want to know what he can get on his money for 20 years because inflation may be such that it has eroded the value of his money and he would lose whatever stake he invested.

Let us not forget that it was never always that way. For example, I have referred to 1867 when the world was relatively stable as far as monetary conditions were concerned. It is perhaps interesting to note that between 1860 and 1876, of 87 foreign government loans of $1 million or more placed in London, nearly half had maturities of terms from 100 years to perpetuity. I say to members, think of the contrast in the mental attitude then with that of today. People then were so confident with the well-being of the economic world situation that they were prepared, in the case of those loans, to put the bulk of their money out for 100 years to perpetuity. Contrast that with the fact that on a recent issue we offered 13.75 per cent on our money for 20 years and there was some doubt whether even at that price the issue would sell.

In committee I referred to an article that appeared only last month, on June 23, in the reputable magazine *Forbes*. The article is entitled "Recycling Petrodollars—How Much More can the System Take?" I invite hon. members to read this article. In particular, I ask them to note the two scenarios which the writer and the editorial board of *Forbes* magazine suggest at page 98 of the magazine, which reads as follows:

> At the moment the world faces two equally grim scenarios:
>
> Scenario one: Lending will continue to dwindle, and there will be defaults from which the various governments will have to rescue their banks. The poor countries will no longer be able to buy goods from the industrial countries, which, in turn, will suffer depressed economies and lack the means to pay OPEC. The entire world economy will sink into low gear. The poor will starve. The rich countries will stagnate. Even the Communists will have nothing to cheer about. The U.S.S.R. and Eastern Europe depend heavily on world trade, and all seek cheap credits.

That is scenario one, Mr. Speaker. The article continues:

> Scenario two: The merry-go-round will speed up again. OPEC will continue raising oil prices. The politicians, unwilling or unable to impose austerity on the industrial countries, will encourage the banks to provide plenty of liquidity both for their own economies as well as for those of the poorer countries; and inflation will move up another notch or two. For a while the faster inflation will enable the poor countries to handle the debts they constantly incur because they will be servicing the debt with dollars that are constantly shrinking. But the faster inflation, with its attendant disruptions, will end up by paralysing the international capital flows upon which everybody's trade and prosperity depend.
>
> There is, of course, a way out. With a strengthened IMF, the nations might gradually accept a painful but bearable slowdown in their economies while the money supply is brought under control. This is probably the only way out.

I read that into the record as I did in committee because I felt that I would like to have a comment from an official in the finance department as to whether they felt that with those two scenarios, the conclusion of the writer of the article in *Forbes* was accurate.

For the record, this is what Mr. Hilton, a senior official with the Department of Finance, had to say. He had read the article. He read the two scenarios and he stated:

> I think that the analysis probably could be in greater detail, but I think that the current trend of thinking in the western community is that inflation is the greater danger so that Scenario 2 is really not one that people are concentrating on or more to the point, they are trying to prevent, so it means that there has to be an adjustment process so that there is adequate financing through the world. That financing is important to all countries, both developing and developed and particularly important to a country like Canada where our trade lines are more important to our economic performance than anything else. The problem is whether we have a system strong enough that can adapt and accommodate so that the channels of financing can continue through the 1980s. I think that we have a small period of time.

● (1610)

Think of it, here we are in July, 1980, being told by a senior finance official that, in terms of these economic conditions internationally, we have only a small period of time left to make the suitable corrections. Mr. Hilton went on to state:

> I agree with the conclusion that no one country in the world is going to be able to develop a set of international policies, financial policies or financial actions with which it is going to save itself. It is going to have to be done collectively and the collective implementation of that policy is probably going to have to be done through existing institutions of which the most important is going to be the IMF.
>
> The possibility of finding some further strengthening of the IMF has been mentioned earlier today and that may be in the form of more direct participation by the surplus countries and particularly the OPEC countries so that the strength and the power of the IMF can be used for the benefit of all its members.
>
> I think in conjunction with the IMF because there is going to be the poorer countries of the world are going to need to continue receiving financial flows that cannot be expected through the private system, that we will have to transfer some of the aid transfer mechanism and in this connection, the World Bank is the most important organization because it is large. We can move large amounts of dollars and it works in conjunction with the IMF. And, finally, I think that

there is probably going to be over the next few years an adaptation of our debt machinery so that countries that do find themselves in payments problems again can work within a collective environment so that there is a modicum of equity throughout the world with respect to rescheduling, both with respect to government and official credits and international credits and also with respect to the private credits because they will continue, I think, to play a very, very strong role with respect to the transfer of resources to all the countries of the world.

I would emphasize this:

So, in brief, I agree with the conclusion that there needs to be a strong IMF and a strong IMF can work to the benefit of all countries both lenders, creditors and borrowers and I think that what we really need to do is adjust ourselves within the first scenario say, so that the adjustment process can take place without accelerated worldwide inflation which is to nobody's benefit.

I read that into the record because so many things that have been done by this government and are being suggested by our socialist friends to the left are totally inconsistent with what we should be doing domestically in relation to the international climate that we have spelled out there. As Mr. Hilton indicated, our time is short. It is very important that we as a nation arrest some of the things that have been contributing certainly to our falling dollar, high interest rates, high inflation levels and our current account deficit with the rest of the world.

Let me first specifically contrast the type of budget we brought in on December 11 with the present budgetary position of this government. Rather than, for example, cut expenditures, this government between December and April, when the present Minister of Finance (Mr. MacEachen) brought in his economic statement, increased expenditure levels in the country by $2.5 billion. He not only increased the level by $2.5 billion, but actually caused revenues to be lost by giving up certain of the tax revenue measures that our minister of finance, the hon. member for St. John's West (Mr. Crosbie), proposed in his budget. The loss was $1.2 billion. Therefore, between December and April, our budgetary position as far as surplus or deficit is concerned is worsened to the extent of $3.7 billion further in debt or deficit, or a 35 per cent increase.

When we come down to the actual financial requirements, this government has led us into the position where, rather than have in a current year a financial requirement estimated in the Clark government budget of $8.2 billion, we now find it is estimated at $11.7 billion, a 43 per cent jump in financial requirements between December and April of this year.

The reason I bring this point in as far as the debate on Bill C-5 is concerned is that we must not forget it is the International Monetary Fund which is really our lender, if you like, of last resort. That is the fund we are eventually going to have to turn to if we do not right our own ship domestically. Certainly Italy and Great Britain have done it.

The available credits that are open to Canada in the International Monetary Fund are almost $9 billion, and they may have to be called upon at some time. However, there is absolutely no need for us to have to turn to the International Monetary Fund now or in the future if we take some of the corrective steps that were anticipated in the Clark government budget brought in on December 11. That is why we must first of all accept that we are in a world economic condition that is very precarious. Of the nations that are playing an important role in that world economic condition, Canada is in one of the most serious financial positions.

It absolutely behooves this House not only to encourage but to make suggestions to the government as to how they can correct the irresponsible position which they led us into in earlier years. The reason I touch on the socialists to my left, who like to be called social democrats although I understand they do not have too much democracy in their party in Nova Scotia and certain other places—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Right on.

Mr. Stevens: The reason I want to touch on the socialists is that in their utter frustration, realizing they will never have an opportunity, certainly in this century, of bringing in a budget in Canada, they brought in what they called a shadow budget couched in typical socialist jargon. What could be better described as a socialist budget than a shadow budget?

If hon. members take the time to read some of the measures in that so-called shadow budget, they will see how absolutely irresponsible they are. With the international climate that we face, with a government which has lost control on spending in this country and is forcing us into a financial requirement 43 per cent higher than we felt was needed last December, we have the socialists egging them on to even more spending and a bigger deficit. That silly Keynesian type of rationale should should be left in the universities and practical people should be given a practical opportunity to run this country.

Some hon. Members: Hear, hear!

Mr. Stevens: Don McGillivray in yesterday's Montreal *Gazette* put it rather well when he stated:

Canada's socialists might have got further in the 43 years since the Regina Manifesto if they had been as tough-minded in analysing their own proposals as they have been in exposing the sins of capitalism. A case in point is the "budget" brought down last week by Bob Rae, the financial critic for the New Democratic Party in Parliament.

What did they say in that so-called shadow budget? This is just a quick summary. They said they felt there should be higher federal spending, a larger deficit and higher taxes. Further, in their presentation of the federal government's accounts they felt there should be differentiation between expenditures which they call investments and expenditures which are not investments. So be it. What the New Democratic Party has done is this: they have looked over their old policies and brought them out again. There is very little, if anything, which is new in the pablum they spewed forth in the form of a so-called shadow budget.

● (1620)

Let us analyse the cost to Canadians should the government in a weak moment ever accept some of the things they are suggesting. For example, the net financial effect of the socialist plan would be to raise spending by a further $3.8 billion.

Mr. Broadbent: Wonderful!

Mr. Stevens: There. Eddie Broadbent said it, Mr. Speaker. He said, "That's wonderful!"

Mr. Deputy Speaker: Order, please. As the hon. member knows, he must refer to members of the House by their constituencies.

Mr. Stevens: When the people of Oshawa see the rising unemployment in that town they will certainly remember the hon. member for Oshawa (Mr. Broadbent) and how little he is doing to correct the unemployment in his constituency.

As I was saying, the financial effect of this NDP plan would be to increase total spending, not by the $2.5 billion by which those who sit on the government side have increased it, but by a further $3.8 billion. Their proposals would raise the deficit by $2.1 billion, which would mean a staggering $16.3 billion deficit in this country if the NDP had its way.

I do not think it is fair only to be critical. Some of the socialist spending proposals, taken separately, could be in the public interest. It is difficult to argue against implementation of the Hall report, increased skills training, an energy bank or measures to improve small craft harbours and expand research and development work. In fact, a few of their spending proposals reflect priorities of the Progressive Conservative government.

Some hon. Members: Oh, oh!

Mr. Stevens: There is an over-all problem, however, in that taken together, with no offsetting spending reductions in other areas, all the NDP plan does is increase government spending, thus leading to increased inflation. Any employment growth in the short term would very quickly dissipate in the absence of measures to encourage long-term permanent job creation in the private sector.

NDP policies would, in fact, discourage private sector investment. Increased taxes on capital gains would make it difficult for firms to raise new equity capital. The use of straight-line depreciation for tax purposes instead of the existing capital cost allowance would substantially reduce cash flow and would reduce the profitability of new ventures, thus reducing investment.

Let there be no doubt, there are only two ways to finance the deficit. The first is by printing money. This leads to an expansion of the money supply, resulting in increased inflation. The second way is by borrowing money, the line which the government has been left no alternative but to take. This crowds out private sector borrowing and thus raises interest rates. When the government borrows money its total interest costs go up. As a result, the deficit goes up. More money must then be borrowed to pay the interest on past debts. Whether the NDP decided to finance the increased deficit by printing money or by borrowing money or by a combination of two, the result would be higher interest rates or higher inflation or both. This is, presumably, the exact opposite of what they want to happen. Certainly it is the opposite of what is needed in the nation today.

I relate this to Bill C-5 because I believe that what the International Monetary Fund has been attempting to tell its various member nations is simply this: Get back to sounder management of your economies or we shall be obliged to come in.

It is not as though there were no examples of places where the socialists' experiments have been tried and found wanting. We know what has happened in Jamaica. We know the trouble that country has got into. At one time the socialists waxed eloquent about Manley and what a great job he was doing. Our little socialist, now the Prime Minister (Mr. Trudeau), is, of course, a bosom pal of Mr. Manley. But what happened, unfortunately, to Jamaica—its problems as far as the international world is concerned and the terms being set by the International Monetary Fund—could happen here if we fail to act prudently. As far as the United Kingdom is concerned, we have an excellent example of the way in which the socialists, following much the same views as have been put forward by the NDP financial critic in this House, have led that country to a position of crisis, one, hopefully, which is now being solved by a Tory government.

The bill before us is a short bill, basically to increase our contribution to the International Monetary Fund. It is also an extremely important one because of its international ramifications. It allows us, for a brief moment at least, to reflect on the consequences which could happen to Canada if we fail to set our own economic house to rights: eventually, the rest of the world will right it for us. And this has nothing to do with whether the rest of the world believes in socialism or not. There is only one economic law and we have been breaking that economic law.

Mr. Edward Broadbent (Oshawa): Having listened to that speech, Mr. Speaker, I am even more convinced that the position outlined by my hon. friend from Saskatoon East (Mr. Ogle) so ably on second reading was 100 per cent cogent. I say this because it differed by perhaps 180 degrees from what we have just heard from the hon. member, who sits literally and speaks metaphorically to my right.

However, I have not risen today to repeat that we support this bill but for a quite different purpose. Given the answers we received from the Prime Minister (Mr. Trudeau) in response to our questions on the pipeline and the ruling by the speaker earlier today, I have no option, bearing in mind the seriousness of this issue to the energy future of Canada, but to move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House do now adjourn.

Mr. Nielsen: Shame! Irresponsible!

Mr. Stevens: On a point of order, Mr. Speaker—

• (1630)

Mr. Deputy Speaker: A motion to adjourn the House is in order, and it is not debatable.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Broadbent), which was negatived on the following division:

● (1640)

(Division No. 12)

YEAS

Messrs.

Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Hovdebo
Keeper
Knowles
Kristiansen
Manly
Miller
Mitchell
(Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson
(Burnaby)
Rose
Sargeant
Skelly
Waddell
Young—25.

NAYS

Messrs.

Andre
Appolloni
(Mrs.)
Bachand
Baker
(Nepean-Carleton)
Beatty
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Cardiff
Carney (Miss)
Chénier
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cosgrove
Cossitt
Côté (Mrs.)
Cousineau
Crosbie
(St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne
(Chicoutimi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Elzinga
Epp
Ethier
Evans
Fisher
Fleming
Flis
Forrestall
Foster
Fox
Francis
Fretz
Friesen
Frith
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaiel
Gourd
Gray
Greenaway
Guay
Guilbault
Gurbin
Halliday
Hargrave
Harquail
Hawkes
Hervieux-Payette
(Mrs.)
Hnatyshyn
Hopkins
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Kaplan
Kelly
Kempling
Killens (Mrs.)
King
Korchinski
Kushner
Lachance
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
La Salle
LeBlanc
Lefebvre
Lewis
Loiselle
Lumley
MacBain
MacDonald
(Cardigan)
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McKinnon
McRae
Mitges
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
Nicholson
(Miss)
Nickerson
Nielsen
Oberle
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Reid
(Kenora-Rainy River)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schellenberger
Schroder
Scott
(Hamilton-Wentworth)
Shields
Siddon
Simmons
Smith
Speyer
Stevens
Stewart
Stollery
Tardif
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wilson
Wright
Yanakis
Yurko—192.

● (1710)

[*Translation*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Madam Speaker: Is item No. 4, in the name of the hon. member for Vancouver-Kingsway (Mr. Waddell) allowed to stand?

Some hon. Members: Stand.

Madam Speaker: Is item No. 6, in the name of the hon. member for Regina West (Mr. Benjamin) allowed to stand?

Some hon. Members: Stand.

Madam Speaker: Is item No. 10, in the name of the hon. member for Wetaskiwin (Mr. Schellenberger) allowed to stand?

Some hon. Members: Stand.

Madam Speaker: Is item No. 11, in the name of the hon. member for Algoma (Mr. Foster) allowed to stand?

Some hon. Members: Stand.

Madam Speaker: Is item No. 12, in the name of the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) allowed to stand?

Some hon. Members: Stand.

* * *

OFFICIAL LANGUAGES ACT

AMENDMENT TO ASSERT PRIMACY OVER OTHER FEDERAL LEGISLATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved: That Bill C-214 an act to amend the Official Languages Act (supremacy of the act) be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Madam Speaker, the purpose of Bill C-214 is to assert the primacy of the Official Languages Act over all other acts and regulations of the Parliament and Government of Canada in order to emphasize its status as fundamental Canadian legislation.

If there is one principle, Mr. Speaker, on which this House must be and is, in fact, unanimous, it surely must be that of the equality of the two official languages. The consensus reached on the Official Languages Act, when it was passed in the summer of 1969, is sufficient proof of that assertion. The willingness of the Canadian majority to accept the principle of linguistic equality has made remarkable progress during the last decade.

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. If hon. members want to hold private conversations, I suggest they do so in the lobbies. The hon. member for Ottawa-Vanier (Mr. Gauthier) has the floor.

[*Translation*]

Mr. Gauthier: Thank you, Mr. Speaker; I appreciate your call to order. We therefore have reason to say we are pleased with the progress made. Still, that satisfaction must be tempered by the fact that problems have yet to be solved. I am happy with the fact that our official language policies have remained consistent during the last two years, and this is evidence of the high degree of unanimity among us despite the changes of government.

One may wonder about the priority which that principle of linguistic equality should hold in the scale of values of our Parliament. In other words, should linguistic equality be the cornerstone of Canadian federalism, or just one of its many assets? The government has already answered that question both by way of the document entitled "A Time for Action" and by way of the constitutional changes we have proposed to enshrine linguistic rights in a renewed constitution. For some of us, linguistic equality is one of the main principles of our Canadian federation which must be recognized in a new constitution in order to be protected against any infringement. The supremacy of the principle of linguistic equality, at the very least in terms of federal legislation, is therefore unanimously recognized on the government side and, I trust, on the side of the opposition.

Some will say, Mr. Speaker, that we should wait till the constitutional debate is over before asserting and guaranteeing the supremacy of that principle. Can we allow ourselves, coming out as we do of a referendum campaign bearing on Quebec sovereignty, to exacerbate passions between Francophones and Anglophones with another issue comparable to that of Air Canada and that of *les Gens de l'air*?

• (1720)

[*English*]

The federal Parliament has the required political means to prove its good faith in matters of linguistic equality and it must act immediately in all matters within its own jurisdiction. It would suffice to modify the Official Languages Act, as suggested in Bill C-214, by indicating clearly that the linguistic equality rule set forth in section 2 of the act has priority over all other acts and regulations of the Parliament and Government of Canada, unless it is expressly declared that the other acts and regulations operate notwithstanding the linguistic equality rule in section 2 of the Official Languages Act.

This amendment has at least three striking advantages. First of all, it solemnly asserts the fundamental character of the principle of linguistic equality in all matters under federal jurisdiction. In addition, it does not deprive Parliament or the government, whichever the case may be, of the possibility of overruling this restrictive principle if it judges that a more important right or interest should prevail. Such would be the case in matters of public security, for example. Finally, it compels the government to assume its responsibilities before the people and before Parliament, thus dispensing the courts from playing their current role of scapegoats and having to decide, instead of the legislators, whether security, for example, has priority over linguistic equality.

[*Translation*]

Mr. Speaker, the Official Languages Act, as it exists now, does not prevail over any other ordinary statute of the Canadian Parliament. Regardless of its vital importance, it is just a simple and ordinary legislation which can be thwarted by just about any other legislation. As a matter of fact, this rule of interpretation was clearly confirmed, with respect to section 2 of the Official Languages Act, by the Federal Court of Appeal when, in the case of the Quebec Association des Gens de l'air, it handed down the following ruling:

It should not be inferred from the text of the Official Languages Act that Parliament meant that this power (to regulate the language or languages of

communication for air navigation) be governed by the provisions of that act. Only a specific intent clearly expressed by the legislator could justify such a conclusion.

When it adopted the Official Languages Act, the Canadian Parliament officially recognized the linguistic equality of the French and English languages in every area under the jurisdiction of the Canadian Parliament and government. It must now, as the courts urge it to, express clearly its intention of making linguistic equality an overriding principle so that in case of conflict between any act or regulation of Parliament or of the Government of Canada and the principle of linguistic equality as expressed in section 2 of the Official Languages Act, the courts as well as federal institutions will recognize the supremacy of section 2. How can it be that after more than a decade since the enactment of the Official Languages Act Parliament and the Canadian government still have provisions which contradict the spirit and the letter of this basic legislation?

How can Canadians take their national Parliament seriously as far as linguistic equality is concerned when they see, for example, first of all, that Criminal Code sections 555 and 556 restrict their right to a bilingual jury to Quebec and Manitoba; second, that certain provisions of the Bank Act, specifically sections 82(3)(*d*), 89(4)(*a*)(ii) and 89(4)(*b*)i) restrict to Quebec the requirement for a bank to advertise in French and English newspapers the sale of seized property; third, that several provisions of the Railway Act, for instance, sections 207, 235, 242, 243, 294 and 366—there are many—make it mandatory only in Quebec that the notices the railways must give the public about timetables and other pertinent data be bilingual; fourth, that section 159 of the Winding-up Act provide for the publication of notices to creditors in newspapers of both official languages again only in Quebec.

It is obvious to me, Mr. Speaker, that such legislative provisions which are still part of our statutes in 1980 and which result in confining bilingualism to the province of Quebec only constitute an infringement of the Official Languages Act which is all the more serious because it is committed by Parliament itself and it is not the first time the problem has been raised in the House and hon. members made aware of it.

For at least the last three or four years several bills were introduced each session to amend those legislative provisions not consistent with the Official Languages Act as well as amend the Official Languages Act itself, each time to no avail. For instance, someone could challenge the right of railways to publish notices in French outside Quebec and on the basis of sections 242 and 243 of that act, challenge the right of a railway company to publish in both official languages timetables on its lines or notices about train arrivals and departures. For example, I quote subsection 3 of section 243:

Such notices, shall, in the province of Quebec, be written in the English and French languages, and, in the other provinces, in English.

[*English*]

Parliament has asserted in the Official Languages Act its will to grant the French and English languages "equality of status and equal rights and privileges as to their use in all institutions of Parliament and the Government of Canada". Further, in order to confirm that this declaration of equality was not to be limited to the languages used in providing services to the public but, that it applied as well to the languages used at work, Parliament adopted in June, 1973 a resolution which stated clearly that "public servants should, as a general proposition . . . be able to carry out their duties in the Public Service of Canada in the official language of their choice".

The application of these principles of linguistic equality is an arduous business and gives rise to opposition and difficulties, as the Commissioner of Official Languages tirelessly points out in each of his annual reports. Despite and especially because of that, Parliament must today prove that it is determined to enshrine the principle of the equality of official languages in all of its legislative measures and in any regulatory action taken by the government. In other words, the principle of linguistic equality must have priority over all others unless, by exception, it be expressly declared in the legislation or in the regulations that linguistic equality cannot, for very serious motives, have precedence.

[*Translation*]

Mr. Speaker, pending the results of the constitutional reform, the federal Parliament can act immediately on all matters that come under its jurisdiction. In these troubled times when the Canadian crisis is more acute than ever and when Francophones demand the same treatment as their Anglophone fellow citizens, it is incumbent on Parliament to assure them that the act meets those requirements.

In my view, further provisions designed to ensure the paramountcy of the Official Languages Act would achieve this goal in a decisive manner. This is an unequivocal declaration which, while stressing the fundamental nature of this act, repeals the other federal legislative or regulatory provisions which are now or may eventually be at variance with the principle of linguistic equality set forth in section 2 of the Official Languages Act.

Mr. Speaker, even if the constitutional crisis had not reached the climax it has reached today, Parliament should hasten to ensure the paramountcy of the Official Languages Act. In my view, in order to show proof of its good faith in linguistic matters, of its regard for consistency and of the necessity to guarantee the Canadian people the most basic equality in the eyes of the law, Parliament has no other alternative.

The election of a separatist party in Quebec, the referendum held by that party on the issue of political sovereignty and the coming election are so many factors which prompt the federal Parliament to act immediately. Mr. Speaker, the least we can do, in spite of some hesitation in approving this private mem-

ber's bill, Bill C-214, is to refer the matter for further consideration to the new committee set up by Parliament to study the annual report of the Commissioner of Official Languages, which is to make recommendations to both Houses. If there is some hesitation in giving unanimous support to this bill, Mr. Speaker, I would be ready to agree that the matter be referred to the committee for further study, and as my time is somewhat limited because of the vote, I conclude my remarks expressing the hope that other members will give me their support.

[*English*]

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, if the hon. member would agree to withdraw his bill, I would move on behalf of members on this side:

That the subject matter be referred to the Standing Committee on Communications and Culture.

Possibly that would be acceptable to other hon. members in the chamber.

● (1730)

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am pleased to have this opportunity to talk on this subject as a Francophone from another area of the country. However, the hon. member and myself are neighbours in Ottawa. It might be possible, for instance, that because of our experiences and our requirements in the rest of the country, the very narrow principle of this bill might be prejudicial to us rather than helpful. However, I wish to draw the attention of hon. members to something which happened rather suddenly, and I do not even know if the hon. member remembers that he is on a joint committee of the House of Commons and the Senate that will study the question. It is precisely because it is something that was studied and decided during the previous Parliament and which is now in the implementation stage, the reports of the Commissioner of Official Languages, and I quote the *Votes and Proceedings* of May 23 as follows:

On motion of Mr. Pinard—

—government leader in the House—

—seconded by—

—his colleague—

—Mr. Lapointe, it was ordered—That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider the report of the commissioner of Official Languages, 1978, tabled Tuesday, February 20, 1979, (Sessional Paper No. 304-1/301) and the report of the commissioner of Official Languages, 1979, tabled Tuesday, April 22, 1980—

And we have the reference number of that sessional paper.

Later, on June 9, the House passed the following motion proposed by Mr. Pinard, seconded by Mr. MacEachen, and I quote:

Official Languages Act

That the following members do represent this House at the Special Joint Committee of the Senate and of the House of Commons appointed to consider the reports of the Commissioner of Official Languages: Messrs. Beatty (Wellington-Dufferin-Simcoe), Corbin, Gauthier, Herbert, Joyal, Kilgour, La Salle, Nystrom and Stollery.

Some members I see here, let it be noted, might want to participate in this debate. But is that the purpose of this bill? Well, I wonder for my part whether this should not also be referred to the same joint committee. I say that with the text and the recommendations of Mr. Yalden, the Commissioner of Official Languages, we could now consider the problems raised by the hon. member, and I would certainly agree to be on it.

The suggestion was made by the hon. member for Spadina (Mr. Stollery) that the subject matter of the bill of the hon. member for Ottawa-Vanier (Mr. Gauthier) should be referred not to our broadcasting committee but to the joint committee, and then we would have the whole thing to consider, and indeed I think a joint committee of the House and the Senate has the advantage of not being under the pressure of time.

Quite often, we have thoughts that have not matured enough, reflections made without enough consideration for the whole of the country. And here I must warn particularly my colleagues in this House from the province of Quebec. I say in all sincerity that, notwithstanding the fact that I am also a Francophone Canadian, that is a Canadian of Francophone origin and from western Canada, the attitudes in that part of the country are not necessarily the attitudes in this part of the country, not the ideas of central Canada. Indeed, here they want signs to be bilingual everywhere, French and English to be on a equal footing everywhere.

Mr. Speaker, my dear friends and colleagues are not aware of the difficulty we had convincing people in 100 per cent English-speaking communities to accept that any instructions or signs in post offices or elsewhere, such as in the Canadian National railway stations, at the gate of the National Parks or in the mountains either in Alberta or British Columbia, be written in both languages even though not even two per cent of the people who go there would read the French version. These are some of the problems we have seen. As for generalizing the use of French, the hon. member for Ottawa-Vanier knows that we share the same objectives.

However, perhaps I do not share his views concerning the means to be used. We have spent and wasted perhaps hundreds of millions of dollars in the last decade, and I am thinking about the language program for public servants. This has failed. We simply have to look at the people we know who have gone through the Language School. Some of them have been able to learn the second language, and they are very happy to have done so. However, for others, it was simply torture. First, this has made people hate the language; second, this has cost a lot of money with which we could have achieved results much quicker by asking the co-operation of the provinces to train French teachers. There is a shortage of teachers in the coun-

try, a great shortage of qualified people—and I underline the word "qualified"—who can teach French to our young people.

I know quite well that in my area of the country, several school boards have not been able to obtain trained personnel, because it is not the first person named Jean, Pierre, Paul or Marie, with apologies to the ladies who are named Marie, who can teach a second language to children. You must start with the young children if you want to make progress. We have done so in some schools and considerable progress has been made. I am happy to note that there has been some progress, perhaps not as much as we would have liked, but there has been some progress. However, I would not want someone to impose something which might go against the objective of this bill, and I hope that my friend the sponsor will permit us to associate with the suggestion made by his colleague to refer the subject matter of this bill, not to the committee which deals with communications, but rather to the joint committee which was established and of which he is a member with some of our distinguished colleagues who are openminded and who might find, perhaps not right now, but at least in the near future, the means to meet the objective we all have, I hope, because there is no question that every party in this House supports the Official Languages Act. Certainly there is no question from this side of the House as to principle. Quite possibly we may object from time to time to the way it is implemented. Although someone may approve of medical science and recognize that some dentist is supposed to help him, this does not preclude his objecting to the way that dentist goes about it, especially if he breaks a tooth.

● (1740)

In that spirit, Mr. Speaker, if I may move an amendment to that on the order paper accepting the motion made earlier, that the subject of the bill be referred to the Joint Committee of the Senate and of the House of Commons established on May 23 with members named by the House on June 9, we would be ready to accept the motion.

Mr. Stollery: Mr. Speaker, we are in agreement on this side of the House.

Mr. Lambert, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin) moved:

That the motion be amended by striking out all words following the term "That" and substituting the following therefor: Bill C-214, an act to amend the Official Languages Act (supremacy of the Act), be not now read a second time, but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Joint Committee of the Senate and of the House of Commons on Official Languages.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will take just one minute of the time of the House to indicate that we too are in agreement with this. I point out to the House that the special committee is meeting anyway for an organizational meeting on Thursday, July 17. I think it makes a considerable amount of sense to refer this to the special mixed committee on official languages in which we are studying the Official Languages Act and the application of the act in this country.

I do not want to go on at great length, but I just want to say that our party is one which has been a supporter and promoter of the Official Languages Act—

[*Translation*]

—since 1969, for 11 years now, and we still support the Official Languages Act in this country. In my capacity as a member of the special committee, I will represent the New Democratic Party to support all suggestions that are fair to the French and English languages in Canada.

[*English*]

I think there are many things which have to be ironed out regarding the Official Languages Act. The hon. member for Ottawa-Vanier (Mr. Gauthier) is making some excellent suggestions. The hon. member for Edmonton West (Mr. Lambert) made some other excellent suggestions, and rather than repeat all those things and rehash all of the arguments here in the House, I will save my comments for the committee meetings. I just want to indicate once again our party's support for the principles and the thrust of linguistic equality in our country.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on the amendment.

[*Translation*]

Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Amendment moved by Mr. Lambert (Edmonton West) agreed to.

Order discharged, bill withdrawn and the subject matter of Bill C-214 referred to the Joint Committee of the Senate and of the House of Commons on Official Languages.

[*English*]

The Acting Speaker (Mr. Ethier): Shall I call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until 8 p.m.

At 5.45 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO INCREASE AMOUNT OF SPECIAL DRAWING RIGHTS

The House resumed consideration of the motion of Mr. Bussières (for Mr. MacEachen) that Bill C-5, to amend the Bretton Woods Agreements Act, be read the third time and do pass.

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

* * *

FORT NELSON INDIAN RESERVE MINERALS REVENUE SHARING ACT

MEASURE TO IMPLEMENT AGREEMENT

The House proceeded to the consideration of Bill C-26, to implement an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve, as reported (with an amendment) from the Standing Committee on Indian Affairs and Northern Development.

The Acting Speaker (Mr. Ethier): There are two motions standing on the order paper at the report stage of Bill C-26. Motion No. 1 is procedurally correct, and it is the Chair's intention to put the motion to the House.

Motion No. 2, standing in the name of the hon. member for Notre-Dame-De-Grâce (Mr. Allmand), seems to be out of order on the ground that it goes beyond the scope of the bill. The long title of the bill reads as follows:

An act to implement an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve.

I would refer the hon. member to citation 773(1) of Beauchesne's fifth edition which is as follows:

An amendment is out of order if it is irrelevant to the bill, beyond its scope—

For that reason, regrettably, I cannot accept No. 2 and I must rule it out of order.

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Indian Affairs and Northern Development) moved:

That Bill C-26, an act to implement an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve, be amended in clause 2 by striking out lines 14 and 15 at page 1 and substituting the following therefor:

"on May 29, 1980, and recorded as document number 321-7/6."

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion No. 1 (Mr. Loiselle) agreed to.

[*Translation*]

Hon. John C. Munro (Minister of Indian Affairs and Northern Development) moved that Bill C-26, to implement an agreement between Her Majesty in right of the province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve, as amended, be concurred in.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion?

[*English*]

Mr. Knowles: Mr. Speaker, I rise on a point of order. Should the motion not be put by someone who is present?

Mr. Nielsen: It should be put by a minister who is present.

The Acting Speaker (Mr. Ethier): The motion is put by the Secretary of State for External Affairs (Mr. MacGuigan) for the Minister of Indian Affairs and Northern Development (Mr. Munro). That is how it should read.

Mr. Knowles: That is better.

Motion agreed to.

Hon. Mark MacGuigan (for the Minister of Indian Affairs and Northern Development) moved that the bill be read the third time and do pass.

The Acting Speaker (Mr. Ethier): It is the pleasure of the House to adopt the said motion?

[*Translation*]

Mr. Loiselle: Mr. Speaker, I would like to give a brief explanation of the purpose of this bill. The Fort Nelson Agreement is aimed at allowing the Indians of this locality the possibility of maximizing the revenue it can draw from the exploitation of minerals on the reserve. The act gives the governments of Canada and British Columbia a good opportunity to adopt measures which would favour the social and economic development of the Fort Nelson Band.

Among the 573 Indian bands in Canada, those who have the good fortune or the opportunity to benefit directly from the development of resources on their reserves are rare indeed. The report on the condition of Indians published on June 24 states in a striking way that we must increase the financial resources of Indian bands to allow them to improve their social and economic conditions. Now, last January an agreement was reached in the wake of negotiations held between the Fort Nelson Indian band and the government of British Columbia. Recently, the Standing Committee on Indian Affairs and Northern Development had the opportunity to study this agreement of which we can be proud for, despite the contentious issues surrounding aboriginal rights, this is an agreement which was negotiated willingly and in good faith between the

Indians of Fort Nelson and the provincial government, and the Standing Committee on Indian Affairs and Northern Development concluded that this agreement is truly in the interests and to the advantage of the Fort Nelson Indians.

● (2010)

Therefore, I recommend that hon. members here tonight adopt this bill on third reading. The bill will provide the Indians of Fort Nelson with considerable amounts which will certainly enable them to take their interests at hand—and this is the basic objective of the Department of Indian Affairs and Northern Development—and to decide their own priorities and finance them through the revenues derived from the exploration of natural gas on their reserve.

Mr. Speaker, I am sure that my colleagues from the Progressive Conservative Party as well as from the New Democratic Party will be very brief tonight and give their approval to this bill. But I want to mention the excellent support given me by the member from Fort Nelson who supported this bill and I am convinced that such action should not go unnoticed. This is why I say this tonight.

Finally, I should like to point out simply to the House that this agreement applies only to the Fort Nelson Band and that it should not be interpreted at any time by anyone as creating a prejudice as far as the interpretation of native rights in this country is concerned. We ask you to ratify a very specific project, and this bill should not be perceived nor understood as having a wider scope. This is an agreement between the Fort Nelson Band and the government of British Columbia, the band being represented by the Government of Canada. This is why I want to repeat in a very formal way to native associations of the country that if we are fostering this project, if we are encouraging this kind of negotiation between a band and the different levels of government, it remains that it expresses the wish, the will of Fort Nelson Indians, a will which we respect and a behaviour for which we should congratulate them, considering the excellent results that agreement will have for each and every citizen in Fort Nelson.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I wish to echo the remarks of the parliamentary secretary. I would be remiss if I did not stand in my place tonight and express some appreciation on behalf of my constituents regarding the manner and the expediency with which this bill proceeded through the House, the co-operation of all parties, and indeed the work of the committee. I want to return a compliment to the parliamentary secretary who can take some credit for the manner in which this bill was handled, for giving recognition to the members of the Fort Nelson Indian Band and their solicitors and for producing for the committee and its consideration a bill which was well thought out and an argument which left no doubt.

Some very serious reservations were expressed before committee by some Indian groups, particularly the National Indian Brotherhood and the Union of British Columbia Indian Chiefs. Indeed, I have had some concerns as well which bothered me throughout the negotiations that were carried on for a period of about five years. These were concerns respecting the implications that this agreement would have on the general idea of claims negotiations particularly in the province of British Columbia where, as all members know, the concept of aboriginal rights or special rights for native people has not yet been accepted. Of course we were all concerned that the claim, as it had been negotiated between the band and the provincial government, in some way could prejudice other claims that were being considered, indeed one particular claim before the courts in British Columbia, namely, that involving the former Fort St. John or Montney Band, now known as the Doig and the Blueberry Bands.

Because of the nature of the agreement and the fact that indeed it is the first time the province of British Columbia has come to the bargaining table and accepted in some way the concept of special rights for native people, all committee members agreed it was important that this bill should proceed in a manner which would not prejudice or injure in some way the agreement reached between the province and the Fort Nelson Indian Band.

The concerns raised by the National Indian Brotherhood, my concerns, and indeed those of the chiefs of the Fort Nelson Indian Band and their lawyers were particularly regarding the ownership of the resource. The agreement, as it is written, indicated that the province of British Columbia agreed to share 50-50 with the Indians in Fort Nelson the revenues or profits derived from the harvest of natural gas from three particular valves which are on the reserve. So, the province agreed to share with the band. In the view of the National Indian Brotherhood, it would have preferred if the agreement had read that the Indians were sharing with the province, in other words, vesting the ownership of the resource with the Indians. As we all know, it would not have been possible to negotiate an agreement of this kind with British Columbia which as I said earlier has not yet accepted the concept of aboriginal rights or title.

Also there was the question of arbitration procedures which involved the trusteeship of the federal minister. If something should go wrong with the agreement—and indeed that is the case with the James Bay agreement—the Indians in Fort Nelson could not initiate by themselves any arbitration proceedings. The federal minister or the trustee would have to do that on their behalf. I do not want to be unkind to this particular minister, but all his predecessors were equally guilty. The trusteeship, particularly in the case of native people in British Columbia, has not been a very honourable one. After all, if we look at the fact that this is the first agreement of its kind in British Columbia, it says very little for the trustee who is responsible for assuring that the legitimate rights of native people throughout our country are being respected and recognized. Certainly that is not true in British Columbia, nor is it true in any other part of the country at this point.

● (2020)

There are some peculiarities in British Columbia respecting court decisions which have set some precedents, and some commissions that date back to the turn of the century. First of all, the treaty was negotiated then. At the turn of the century in 1914 a royal commission tabled certain things in the province of British Columbia which are peculiar to that province. There is also this infamous Privy Council Order No. 1036 whereby in the province of British Columbia the government, for the purpose of establishing and maintaining public works, can in fact expropriate up to one fifth or 20 per cent of Indian reserves. That is unique to the province of British Columbia.

We were all concerned about that measure, but having regard to this peculiarity it was recognized by all members in the committee that it is a landmark agreement and we should, for the moment, be happy with it as it is.

I have a particular concern about the bill. It may well behoove us to recognize the standard clause which we build into all agreements of this kind. I refer to section 17 of the agreement, which reads:

No member of the House of Commons shall be admitted to any share or part of this agreement or to any benefit arising therefrom.

I have no intention of becoming a member of the Fort Nelson Indian Band, although it would be a very lucrative proposition. What I am concerned about is that no member of the Fort Nelson Indian Band cannot in the future ever become a member of Parliament, because he would be a beneficiary forever of this agreement. It works both ways, and that is to me a very serious concern. I do not know any of my constituents who are members of the Fort Nelson Indian Band who want to challenge me for my position but, nevertheless, if he wanted to, he could not because he is a beneficiary of this bill. Hon. members should take note of that clause, and we should attempt to avoid such clauses in future bills.

I would like to outline a brief history of the agreement. There are roughly 300 members of the Fort Nelson Indian Band. They belong to about 35 to 40 families. The agreement provides for a prepayment of royalties and profits that have been taken from the reserve since the wells came into operation. At the present time there is roughly $17 million deposited by the province in a bank account and it is drawing interest. That account has been transferred to the trusteeship of the federal minister.

The calculations over the 20-year period would indicate that there will be roughly $100 million available to the Fort Nelson Indian Band through sharing in this resource. Each family will receive roughly $2 million to $2.5 million through their share. Indeed, for the moment there is no financial hardship which should inhibit my constituents in the Fort Nelson Indian Band from achieving a higher degree of respect and self-determination. In fact they have already made decisions which are in line with recommendations I have made. One of my recommendations was that there should be a corporation and an investment fund established with proper management to ensure that this money will be available to the present generation and future generations as well.

The Fort Nelson Indians are very happy with this particular agreement. They do not feel that they have sold their aboriginal rights, whatever they may be, which are outlined in Treaty Eight. Nevertheless, no one has ever arrived at a definition of what aboriginal title means in this particular context. The natives in Fort Nelson do not feel as though they have sold anything at this point, but that they have reached an agreement which is in line with their legitimate rights and aspirations.

I, like the parliamentary secretary, would at this point propose to the House that this bill be passed without further delay.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Bill C-26 formalizes a surrender of natural resources on an Indian reserve to the government of British Columbia. It represents a settlement that is the result of a 20-year struggle by the Fort Nelson Indian Band with the government of British Columbia to obtain a share of the revenue from the exploitation of minerals on the reserve.

The people of the Fort Nelson Indian Band, by referendum, have indicated that this settlement is acceptable to them. They want this bill to pass, because without it they would get nothing. On that basis I will vote in favour of this bill, but I will do so with misgivings because this bill represents one more piecemeal buying-off of Indian claims.

This bill does not embody the kind of settlement which other Indian bands and Indian organizations see as being necessary if they are to get out of the kind of poverty trap that some members of Parliament bewail in a ritualistic manner every so many months. People from neighbouring Indian bands at Blueberry and Doig River have said that they do not want to stand in the way of their neighbours at Fort Nelson and that they do not want to oppose this bill and prevent the settlement from going through. But at the same time they are very uneasy about what kind of precedent this bill will set. In spite of what the parliamentary secretary might say, and in spite of any clauses which may be written into this bill, it does have that kind of effect, that it is one more precedent along the lines of the very unsatisfactory James Bay agreement.

Since 1973 this government has given some recognition to at least the concept of native Indian land claims and aboriginal rights, but the highly touted office of native claims has not been successful in settling these claims. Indeed, the Indian and Inuit people of Canada see that office as a stumbling block rather than as a help in the settlement of their claims. Indian people, denied a proper recognition and settlement of their rights by this kind of bureaucratic stonewalling, are becoming frustrated. The tragic poverty of Indian people, denied their rightful place in our society and their rightful wealth as the first inhabitants of our society, leads Bands to accept settlements which are less than satisfactory, such as we have embodied in Bill C-26.

This bill offers a cash settlement that on the face of it is very generous. However, we must remember that this cash settlement is in exchange for the denial of rights as well as for the sale of minerals. Bill C-26 will make it possible for the people of the Fort Nelson Indian Band to assimilate on fairly good terms with the larger non-Indian society. From my point of view Bill C-26 does not offer much hope that the people of the Fort Nelson Indian Band will be able to develop their own identity, their own culture, and their own economy. It leads to assimilation, not to development.

Indian organizations like the National Indian Brotherhood and the Union of British Columbia Indian Chiefs have indicated that they want settlements of their claims which will allow them to develop their own economic base. In turn, once they have this base, they will be able to develop their total society. Perhaps I can illustrate this by reading from the Nishga Declaration, a statement from the Nishga tribal council in northwestern British Columbia:

> We as Nishgas, are living in a world where dynamic initiatives must be taken to achieve self-determination especially in respect of the natural resources of the Naas Valley, in order to control our own process of development within the larger Canadian society and to make decisions that affect our lives and the lives of our children. We realize that our struggle for self-determination will be a difficult one, but we refuse to believe that it is in vain, if governments and the Nishga people agree to their mutual responsibility for that growth and development. Nishga self-determination of resource development within the Naas Valley is the economic base that will allow for self-determination of the other aspects of modern twentieth century society that makes up this Canada of ours.
>
> Also, we, the Nishga people, believe that both the government of B.C., and the Government of Canada must be prepared to negotiate with the Nishgas on the basis that we, as Nishgas, are inseparable from our land, that it cannot be bought or sold in exchange for 'extinguishing of title'.

● (2030)

This statement is typical of Indian statements from across the country; it indicates the direction we must go to settlements and cash respecting aboriginal rights. The Indian people want a recognition of their rights, not a real estate deal that will buy them off.

Indian people do not want a life of clipping coupons any more than they want a life collecting welfare. They want a chance to develop healthy societies for themselves and for their children.

The people of the Fort Nelson Band have had a long struggle. After 20 years they think that Bill C-26 represents the best agreement they can reach. Considering the negative attitude of the British Columbia government, and the indifference of the federal government, they may be right. But we must condemn the Government of Canada for making this unsatisfactory settlement seem so desirable and so necessary to these people.

Dealing with more specific issues, this bill has several shortcomings. Although it deals with Indian resources, it is a bilateral agreement between the governments of British Columbia and of Canada. This, of course, reflects the lack of standing Indian bands have in Canadian law—a bill dealing with their resources does not include them. This points to the need for Indian involvement in constitutional talks. The time is past when they should be looked on as wards of the federal government. The time has come when they should be able to speak for themselves and sign for themselves. This becomes crucial when we look at the provisions for arbitration in section 12 of the attached agreement.

This section gives both British Columbia and Canada the right to apply for arbitration in the case of disagreement. But how about the people most affected by the bill? What happens if the people of Fort Nelson are not satisfied with the way in which the agreement is being implemented? There is nothing in this bill that gives them any recourse at all. They must depend upon the good offices of the federal government. When we look at the record of that government over the last 113 years, we cannot be very confident.

Last year this House unanimously approved a resolution calling for an audit of the government's handling of Indian trust funds. That audit has not been forthcoming in spite of the motion, and we are being told that there are difficulties. Indeed, many of the trust funds have not been audited at all since 1942. No wonder Indian organizations no longer trust the federal government. There has been no audit since 1942, Mr. Speaker. The government, however, has the presumption to tell the Indian bands that they have not properly accounted for the funds given to them. The House of Commons, supposedly speaking for all the people of Canada, now faces the same kind of stonewalling that the Indian people had to face when they asked for an accounting. We passed a motion asking for this audit but all we are told is that there are difficulties.

Speaking at the All Chiefs Conference at the beginning of May, the Minister of Indian Affairs and Northern Development (Mr. Munro) made a commitment that he would tell the chiefs how the interest rates for Indian trust moneys were calculated. He promised to show a comparison of the rate for these Indian trust funds with the rates paid by chartered banks. The minister promised that this would be ready in two months. Although that time has passed, no such information has been forthcoming. In the face of this kind of indifference, incompetence, and unaccountability, how can we have confidence in an arbitration process that gives the Indian people no access, but instead tells them to rely on the good offices of the federal government?

As I said earlier, I will vote for this bill because it is what the people of Fort Nelson Indian Band want. It represents the best deal they feel they can negotiate. But I regret its inadequacies and I urge the government to clear the way for Indian participation in constitutional talks, a proper recognition and entrenchment of Indian rights and Indian governments. If that happened, inadequate bills such as this which do not touch the deeper problems will no longer be necessary.

Some hon. Members: Hear, hear!

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise to congratulate the two chiefs of the Fort Nelson Band who had the courage to take the initiative and get this agreement in place that is now before this House as Bill C-26.

The hon. member for the New Democratic Party who spoke said that the Fort Nelson Band was selling out their aboriginal rights for a cash settlement. That is not so, Mr. Speaker. He also said the Fort Nelson Band agreement would give them the funds to assimilate themselves with the rest of society. That is definitely not so.

I should like to point out that three years ago the Department of Justice sought a number of legal opinions to see if, indeed, the Fort Nelson Indian Band had claims to the natural resources that existed in their area. The opinions were to the effect that this was not the case. A private law firm in Vancouver concurred with those opinions and told the two chiefs and the band that this was not the case and that they indeed probably did not have any claim. The two chiefs then approached the British Columbia government and negotiated what is, in essence, a settlement out of court. I think they are to be commended for this.

We, the Canadian people, have said over and over again that the Indian people have to learn to run their own affairs. This is a prime example of Indian people taking the initiative and running their own affairs. They have settled out of court for an immediate cash settlement and also for a partnership with the British Columbia government in the development of resources on the reserve. It goes beyond the reserve, because they will receive 50 per cent of the revenue. In other words, they have entered a 50-50 partnership with the British Columbia government. I think they are to be commended for this.

This agreement can set a precedent, Mr. Speaker, but not one that is going to jeopardize other agreements. The bill has set limits in order to ensure that this will not happen, but it will open a new avenue that will result in many more agreements being reached with different bands across Canada because of the foresight, courage, and integrity of these two Indian chiefs in their approach to this problem.

I support this bill wholeheartedly, Mr. Speaker.

Some hon. Members: Hear, hear!

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

* * *

● (2040)

MUNICIPAL GRANTS ACT, 1980

MEASURE TO ESTABLISH

The House proceeded to the consideration of Bill C-4, an act respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, as reported (without amendment) from the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Ethier): As hon. members are aware, there are seven motions standing on the order paper at the report stage of Bill C-4. Motions 1, 2, 3, 5, 6 and 7 seem to be procedurally acceptable, and it is the Chair's intention to propose these motions to the House separately.

Grants to Municipalities

Motion No. 4 standing in the name of the hon. member for Edmonton East (Mr. Yurko) seems to be out of order on the grounds that it seeks to add an additional annual grant to municipalities which is not contemplated in the royal recommendation attached to the bill. May I refer the hon. member to citation 540 of Beauchesne's fifth edition and Standing Order 62 in this regard. The hon. member for Edmonton East may wish to offer argument on the procedural acceptability of this motion and, if so, I will recognize him for that purpose.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, unfortunately, I have been caught with my notes in my office rather than here, so I will speak from memory.

With regard to Bill C-4—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) is seeking the floor on a point of order.

Mr. Knowles: Yes, Mr. Speaker. As a convenience to the hon. member, I wonder if we could not take the motions in order? Let us do motions 1, 2 and 3 and then the question of order on No. 4 can come when we get to it.

The Acting Speaker (Mr. Ethier): If that suggestion is agreeable to the hon. members, we will proceed in that fashion.

Some hon. Members: Agreed.

Mr. Yurko: Mr. Speaker, I think I can speak on this matter without necessarily having my notes before me. The first thing I would like to say is that we were very pleased to have the opportunity in committee to hear a number of witnesses from the municipal level of government presenting to the committee the very excellent case with regard to their views for receiving what might be called grants in lieu of taxes for federal property in their constituencies in relation to the services which they provide to the federal government for their facilities. There were, of course, several recommendations made by most of the people presenting submissions to us. One of the most strident ones was the fact that the minister was given arbitrary powers to decide matters of technical importance, for example, assessment procedures. As a result, we have proposed a series of amendments in committee which we hope to bring before the House. Nevertheless, the minister was very accommodating in indicating to us that he would be prepared to set up a committee to review the nature of submissions made in revising the bill.

The Acting Speaker (Mr. Ethier): Order, please. I would draw to the attention of the hon. member that I invited him to put any arguments he had with regard to the acceptability of his amendment which we thought was not acceptable. If not, we will proceed with the bill on clause 1. If that is the wish of the hon. member, he will be recognized.

Mr. Yurko: Mr. Speaker, on the suggested amendment which has been ruled out of order, I have already withdrawn

that in committee. In fact, that proposed amendment is already withdrawn.

The Acting Speaker (Mr. Ethier): Therefore, is it the wish of the hon. member to withdraw motion No. 4?

Mr. Yurko: It is withdrawn.

Motion No. 4 (Mr. Yurko) withdrawn.

Mr. Bill Yurko (Edmonton East) moved:

Motion No. 1

That Bill C-4, an act respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be amended in clause 2 by striking out line 12 at page 1 and substituting the following therefor:

" 'assessed value' means the value attributed annually".

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Mr. Yurko: Mr. Speaker, in concluding my remarks I will speak to the first amendment and the next several amendments and indicate, as I was saying, that the minister was accommodating in committee and said that he would set up a committee to review the suggested amendments. Therefore I made a statement in committee that I would withdraw amendments 1 and 2 on the basis that the minister would give us the assurance that the government would bring this bill back to the committee in one year's time after the committee which he had established, in consultation with representation from the municipalities, would review the suggested amendments.

On the basis of the minister giving us this assurance in committee, which we expected he would do in the House—although I notice he is not here—we would be prepared to withdraw the various amendments we had suggested. I am surprised the minister is not in the House.

Mr. Pinard: He is coming.

Mr. Yurko: Again, on that basis we had agreed that if the minister were setting up his committee, to review this matter and the suggested amendments, not only by members on this side of the House but indeed by members from various municipalities making submissions to the committee, that if he gave us this assurance on behalf of the government that this committee would sit for a full year and bring the bill back in the year, we would be prepared to withdraw the various amendments. This was stated in committee, and it is again stated here in the House.

I find it difficult to put an argument forth when the minister is not even in the House. I say again that I am finding myself in some difficulty without being able to speak directly to the minister and getting his assurance that he gave us in committee. We wanted the same assurance presented to us in the House on behalf of the government rather than just on behalf of the minister. On that basis we were prepared to accept the bill and move it through third reading and therefore expedite the bill accordingly. I am waiting for the minister to hear his assurances before going any further.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I have had a conversation with the minister, and he did not tell me that he had any intention of making a statement in the House on behalf of the government giving formal assurance that these amendments or part of this bill would be reconsidered in committee. He has no intention of making such a formal undertaking here tonight. In these circumstances, the hon. member might as well try to justify his amendments. I am informed that the minister should be here in a few moments, and if there is any change in what I have just said, which is not very likely, I am certain that the minister will not hesitate to rise on a point of order to elaborate on what he told the hon. member. However, once again, I am convinced that the minister did not give any formal assurance that, on behalf of the government, he would undertake to reconsider the bill in committee within a year if the amendments are withdrawn. He could perhaps lead the hon. member to hope that he would be willing to suggest that the government reconsider some of the provisions of the bill, but as for providing formal assurance that the bill would be reconsidered in committee within a year, the minister did not tell me that he had done so. For my part, I am not prepared to give such an assurance to the hon. member on behalf of the government. However, it is not too late. No damage has been done, and if the hon. member wants to try to justify his amendments, we are prepared to hear him.

• (2050)

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. I have heard the request by the hon. member for Edmonton East (Mr. Yurko) and the reply by the President of the Privy Council (Mr. Pinard). If the hon. member for Edmonton East wishes to be recognized, it will be to discuss the amendment he has before this House.

Mr. Yurko: Mr. Speaker, I rise on a point of order rather than to participate in the discussion. It is with regard to the assurances we were given in committee. The minister not only assured us in committee that he was prepared to set up a committee and report back the findings of that committee to the standing committee in a year, but in fact released a formal news release to that effect which he distributed in committee and released to the members accordingly. On my point of order, I intend to disagree with this statement of the House leader. I wish the minister were here to assure us of the procedure he set forth in committee with regard to reviewing this bill in committee in a year.

[*Translation*]

Mr. Pinard: On the same point, Mr. Speaker, this is a new element the hon. member is introducing, unless I misunderstood him the first time. What he is now saying is that the minister did not give him the assurance that the committee in question would reconsider those amendments or the bill or part

of the bill within a year. The hon. member says that in committee the minister stated, which would have been followed by a press release, that he was prepared to consider the formation of a special committee which would consider the question and would see that it is referred to the committee. This is another story.

I was not in committee, so unfortunately I can neither deny nor confirm it. I see the Parliamentary Secretary to the Minister of Public Works (Mr. Savard) is here, but I do not know whether he is in a position to confirm it or not. I see he is prepared to rise on the matter, Mr. Speaker, so I respectfully suggest that the Parliamentary Secretary to the Minister of Public Works enlighten us on this.

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, what the hon. member just said is in part quite true. We were in parliamentary committee and I believe the Minister of Public Works (Mr. Cosgrove) gave the assurance that, from now on, when the bill is passed, he would consider the possibility of getting together all the groups involved, let us say specifically to meet those people and form a committee, and in the future, to give more information and be more available to those people.

Mr. Pinard: Mr. Speaker, considering that statement by the Parliamentary Secretary to the Minister of Public Works (Mr. Savard) which clarifies the government position on this, I do hope the hon. member will be satisfied with that statement made in the House and he will be able to speak to the amendments he put forward or withdraw them and no longer question the bill at this stage if he is satisfied with that statement made by the Parliamentary Secretary to the Minister of Public Works, otherwise I cannot object to the hon. member speaking further on the reasons for those amendments.

[*English*]

Mr. Yurko: Mr. Speaker, I rise on a point of order. I direct it to the parliamentary secretary who witnessed the same procedure in committee that I did. I would simply like to put forward our understanding of the minister's commitment in committee. It was to this effect, that the minister shall prepare a report on the operation of this act and cause it to be laid before Parliament within 12 months of that act coming into force and that such report shall stand permanently referred to the Standing Committee on Natural Resources and Public Works.

The understanding I had from the minister in committee was that the minister would establish a committee of representatives of several departments of government to consult with the municipalities with regard to the amendments proposed, not only on this side of the House but by the various groups from Quebec and other parts of the nation which make submissions to the committee in the period of a year. As I indicated, he would bring this forward in the nature of a submission. If the parliamentary secretary will agree that that was what was agreed on in committee, I will then indicate that we will be prepared to withdraw the amendments and proceed with the bill.

Mr. Pinard: Mr. Speaker, if it is correct that the minister made that statement in committee, and I have no reason not to believe the hon. member, then that commitment will be on the record. I am sure that the minister is a man of his word and will live up to his commitment. I do not understand why the hon. member is again seeking confirmation of that statement. If the minister made a commitment in front of the standing committee of this House and that commitment appears in the record of the proceedings of that committee, that should satisfy the hon. member.

Mr. Yurko: Again, Mr. Speaker—

The Acting Speaker (Mr. Ethier): Order, please. This has gone on for too long. We have a commitment from the President of the Privy Council that if the statement was made by the minister in committee, he will stand by that commitment. I do not see why we should proceed any further on this. The question is on the amendment. Is there anyone who wishes to address the House on that amendment?

Mr. Yurko: Mr. Speaker, I hope I am rising on my last point of order. What we are interested in obtaining, and I assume I have obtained this commitment from the House leader, is that this is a government commitment rather than a ministerial commitment. Ministers come and go. What we want is a commitment in the House from the government rather than a ministerial commitment. I would like to hear from the House leader or the parliamentary secretary if they are prepared to give us a government commitment rather than a ministerial commitment.

Mr. Pinard: Mr. Speaker, we are prepared to listen to the hon. member on the amendments. I have told the hon. member that if the minister made that statement in committee, it will be on the record and he will live by his commitment.

Mr. Nielsen: And so must the government.

Mr. Pinard: That is a conclusion drawn by the hon. member. He has the right to make his own judgment. What I am saying is that it is not necessary that this commitment be made over and over again. If it was made by the minister responsible in committee, the record will show that and he will live by his commitment. I do not see why the hon. member is insisting that the minister come back to the House and say that what he said in committee is the truth.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on motion No. 1. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Mr. Nielsen: On division.

The Acting Speaker (Mr. Ethier): I declare the amendment negatived on division.

Motion No. 1 (Mr. Yurko) negatived.

Mr. Bill Yurko (Edmonton East) moved:

Motion No. 2

That Bill C-4, an act respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be amended in clause 2

(*a*) by striking out line 10 at page 2 and substituting the following therefor:

"the opinion of a provincial assessment authority, would be ap-"

(*b*) by striking out line 48 at page 2 and substituting the following therefor:

"that, in the opinion of a provincial assessment authority, would"

(*c*) by striking out line 6 at page 3 and substituting the following therefor:

"opinion of a provincial assessment authority, would be attribut-".

● (2100)

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

Some hon. Members: Question!

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: I declare the motion lost.

Motion No. 2 (Mr. Yurko) negatived.

Mr. Vince Dantzer (Okanagan North) moved:

Motion No. 3

That Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes be amended in clause 2 by striking out lines 37 to 46 at page 4 and lines 1 and 2, at page 5.

He said: Mr. Speaker, the point of this amendment was an attempt to bring some reality to the legislation. This act, according to the government's own statements, is an attempt to provide grants in lieu of aid in the same proportion, or placing the government in the same position as an ordinary taxpayer but, of course, not admitting that the government is liable to a municipality for any tax. The point of all these submissions was to pursue that goal and make the whole thing more rational.

My hon. friend from Edmonton East directed his amendments to that issue and my amendment is directed to it also. It is an amendment to include urban parks as subject to taxation. I understood at the time that the minister was making an undertaking which the government now refuses to honour. I gather he was to set up a committee and that committee would look into the rationality of this act within a year. Since the government is not prepared to back up its minister with respect to this undertaking I certainly do not intend to withdraw my motion. In this sense I speak to it.

I believe it is the due and right of every municipality to be paid proportionately by the federal government. If this is not so, then two things happen. You are asking, say, the municipality of Ottawa, to subsidize the operations of the federal government, or you are asking the city of Vancouver to subsidize the operations of the federal government. I think this is unfair and unjust. It is just not rational. Second, what it does is completely against the Lambert commission report which said that every government department should so handle its accounts that we might know the exact costs of each department. The bill before us and the proposals it contains giving the minister discretion not to pay tax to the municipalities make it very simple to hide the actual cost of government.

For those two reasons I think the bill is irrational and unfair and treats the municipalities of Canada in an unreasonable fashion. Until the act is changed and the government treats the municipalities as if it were a citizen of the municipalities we shall continue to experience problems with the municipalities, as was evidenced by the briefs they submitted.

The minister says, "We cannot afford it; we are following spending restraints." It is very simple. The province of Quebec has passed legislation. It has said, "Fine, we will be subject to the laws of assessment as they exist in the province, but we will phase in the cost because we cannot afford it." That is all we in committee were trying to get the government to recognize. It is a very rational thing. We cannot afford to do it now. Fine. But at least admit the principle and then phase it in. The government with its bureaucratic entanglements was unable to do this, and that was the whole point of these motions.

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

Some hon. Members: Question!

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Nielsen: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 3 (Mr. Dantzer) negatived.

Mr. Bill Yurko (for Mr. Nowlan) moved:

Motion No. 5

That Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be amended by adding immediately after line 41 at page 13 the following new clause:

"18. The minister shall prepare a report on the operation of this Act and cause it to be laid before Parliament within 12 months of the act coming into force and such report shall stand permanently referred to the Standing Committee on National Resources and Public Works."

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Nielsen: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 5 (Mr. Nowlan) negatived.

Mr. Bill Yurko (for Mr. Friesen) moved:

Motion No. 6

That Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be amended in schedule II at page 15

(*a*) by deleting "3. Docks, wharves, piers, piles, dolphins, floats, breakwaters, retaining walls, jetties"

(*b*) by deleting "11. Roads, sidewalks, aircraft runways, paving, railway tracks" and by substituting the following therefor:

"11. Roads, sidewalks, aircraft runways".

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Nielsen: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 6 (Mr. Friesen) negatived.

Mr. Bill Yurko (for Mr. Friesen) moved:

Motion No. 7

That Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be amended in schedule III by adding the words

"Harbour Commission Ports".

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Nielsen: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 7 (Mr. Friesen) negatived.

Hon. Bob Kaplan (for the Minister of Public Works) moved:

That Bill C-4, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Deputy Speaker: I declare the motion carried on division.

Motion agreed to.

Mr. Kaplan (for the Minister of Public Works) moved that the bill be read the third time and do pass.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise to take part in this debate with the full intention of making my intervention as brief as possible. I realize that the bill we are discussing is similar to measures which have been before the House on other occasions. It is not my intention, therefore, to slow down the proceedings tonight. However, there are a couple of comments I should like to make and I am disappointed that the minister is not here to take note of them. In fact, neither the Minister of Public Works (Mr. Cosgrove) nor the Minister of Finance (Mr. MacEachen) is available on this occasion when the bill is before us for third reading.

● (2110)

As many members of the House have pointed out both in the House and in committee, this is a bill which is long overdue, and I certainly associate myself with those sentiments. There is one concern, however, which I would like to raise and draw to the attention of the Minister of Public Works. I trust it will be passed on to him. When Bill C-3 was introduced into the House last December by my colleague, the hon. member for St. John's West (Mr. Crosbie), it was my understanding that apart from Ottawa and the national capital region—this immediate region—Kingston and area would receive priority in the administrative arrangements required in the four-year phasing in of this legislation. I was assured of this by the former minister of public works, my colleague, the hon. member for Yukon (Mr. Nielsen), and I trust that the present Minister of Public Works will see that that commitment is carried out. The reason why Kingston and area are important in this regard is that one only has to look—

Mr. Knowles: The minister is here now.

Miss MacDonald: I am glad that the Minister of Public Works has arrived, and I trust that he will listen to my supplications with a very real interest, because when I mentioned that there was special preference given in the preceding bill to the position of Kingston and area, it was because of the very large federal presence there and, of course, this area will be a major beneficiary under the bill.

One only has to look at the list of the holdings the federal government has in the Kingston area as presented by the minister in committee to see just how much of a federal presence there is in that region. One can very quickly list them: Bellevue House, the residence of the first Prime Minister of Canada, Sir John A. Macdonald; the Canadian forces base at Barriefield Village; the Royal Military College; and then the large number of federal penitentiaries and related institutions. All of these are located in the Kingston area, and I know that those in the constituency which I represent will be very glad to see the passing of this bill. I trust that the minister will indeed see fit to give Kingston the same priority which was accorded to it by the previous government.

The minister has also stated that over the four-year period which will be required to phase in this new legislation an additional $25 million will be available. In the committee, as I understand it, he was not able to provide a municipality by municipality breakdown of the figures which would be received, how much each municipality or constituency would be receiving when that $25 million is allocated. I realize that because this legislation is bringing more property under the act, that is, property which still has to be assessed, it is not possible to provide the information I request at the moment, but I hope that the minister and his department will work very closely and quickly with municipalities all across the country to see that these figures are made available. Again, the reason is very clear. The municipalities must start their work of budget planning for next year immediately, and without a concrete figure from the federal government as to how much they will receive, it is difficult for them to establish the priorities of spending that they would otherwise be able to do.

I have one final comment. As many hon. members have already pointed out, municipalities in this country face a wide variety of problems. This bill is not going to resolve all of them. However, it represents a move in the right direction, one which we had certainly tried to put into effect as the government.

I note that the minister has undertaken to set up a special task force to deal with problems which affect municipalities and which are not dealt with in this act, and I hope that when his report is made public—as he has mentioned that he would do—all members of Parliament will then have an opportunity to comment on it.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I rise to speak on this bill for the second time. I suppose by now we are all familiar with its specific contents, but I think there are some general principles and concerns which deserve comment.

The bill deserves support because it will give further financial aid to municipalities, and that is worthy and necessary. In addition, the minister's commitment with regard to a task force to look into further aspects and problems with respect to this bill deserves applause, and we will be glad to see that report within the year promised and to see that report come back to the committee for close study.

Even though this legislation deserves support, there are still fundamental problems of principle with regard to it. The basic problem with this legislation is that we continue to operate on the basis of a grant system to municipalities rather than on the basis of the principles of a taxation system. That is, rather than the federal government's acting as a taxpayer like any other taxpayer in a municipality, the federal government reserves unto itself arbitrary authority to decide, in the final analysis, the amounts of money which go to the municipalities and the process by which the money eventually gets to the municipalities.

There was a good number of submissions before our committee, and I think that if the committee had wished to do so it could have had many more public submissions and certainly much more in-depth discussion with the groups which came before it. The other fundamental problem with this legislation is that there has not really been adequate and sufficient consultation and involvement with the people affected by the legislation to come up with what I would consider totally satisfactory legislation.

I am not asking for pie in the sky. I am not asking for something which cannot be done. I am actually seeking something which has been done already in at least one jurisdiction in this country. I think what we need is a reference of this legislation or at least its subject matter back to the committee, with the commitment on behalf of the government that the committee should undertake the drafting of new legislation based upon principles respecting the local taxation authorities rather than upon the notion of continuing the grant system.

This reference would allow for full involvement of municipal groups and organizations and local authorities, including the provinces, in the development of new legislation. In my discussions with some provincial people I have found that even some provincial authorities support many of the central concerns which have been raised by municipalities.

The basic problem with this legislation is that it just does not go quite far enough. The reason that that is important is that municipalities are the level of government which have the least revenue in the country. The federal government, by contrast, has the greatest range and depth of revenues. By not changing this legislation as much as it should be changed, we are in effect asking the poorest levels of government to carry the largest burden while the federal government gets away with carrying the smallest burden in the package.

I note that the minister indicated an interest in revenue sharing when he was speaking before the committee. I think he was referring to the present federal-provincial discussions with regard to the constitution, and if the federal government was interested in pushing adequate revenue sharing at that level, I think that would be something which would be well worth supporting.

However, until we reach that nirvana where the federal government is willing to get behind the municipalities and fight for them to have sufficient and adequate revenues, we have before us this legislative measure. Before we move to a constitutional solution there is a legislative solution, and surely the basic constitution of the country is more than simply words in a document. It has to do with the way we practise government, the way we act. By adopting the kinds of legislation which would be most sensitive to the local municipal authorities, we would in practice be changing the way government is carried out in this country and changing the constitutional practice. I think this should be a notion which should be welcomed particularly in Parliament, because it has always been the tradition of British parliamentary practice to change the constitution by practice or by custom rather than by changing the words of a written document.

● (2120)

It is not only in the area of this piece of legislation itself in terms of revenues for local governments that this bill points to the shortcomings of the policies of the government of the day. I think that the lack of action as it affects municipalities and cities is also a grave oversight. I am thinking of the whole lack of any reference in this session in a comprehensive way to urban policy. When I refer to urban policy I am thinking about the need to co-ordinate the activities of either housing or transportation or programs for intercities in such a way that these things work together. I am thinking now of my own city of Winnipeg where the activities in what was known as the neighbourhood improvement program have often conflicted with transportation activities.

In Winnipeg we have a conflict between an overpass and a neighbourhood improvement program which is benefiting from DREE funds which have recently been announced for the Winnipeg core area redevelopment. We will once again have this kind of conflict of objectives where DREE funds are obtained to redevelop the inner-city and yet the federal government is financing the transportation route and overpass which is going to cut through the same neighbourhood, thus making it a less desirable place for families. In other words, by cutting through another major transportation route, the area would be less desirable for families to live in, and therefore the federal government will be undercutting its own DREE spending.

Another fundamental area in which I find deficiencies in terms of municipal and urban areas is the whole area of Indians in the city. In this session we have heard from the other side of the House the government pledge that by the fall the government will be taking some action with regard to Indians, and yet I heard no commitment to any action for Indians living in the city. We find that there is a great need for action in this area. We hope that when the government announces its action with regard to Indians in the fall, it will include action for Indians living in the city, whether they be status or non-status Indians.

Coming back more closely to the legislation, I should just like to say that this is an improvement over past legislation. It brings about an improvement basically through administrative changes, and while those improvements are welcomed, it would have been far preferable if we had gone back to the basic principle and developed legislation which had real respect for local authority and local democracy and really reflected the desires and wishes advocated to us by representatives of the municipalities in this country.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I will not take up much of the time of the House. I am pleased to see the minister in his place because I would like to address my questions specifically to him. First I should like to indicate to the House that the minister was quite accommodating in committee in meeting the demands of the various members of the committee. He made a number of commitments in committee with respect to setting up a task force and studying the matter for one year, with the assistance or involvement of people in other levels of government. This was a ministerial commitment and we felt that perhaps what was needed was a government commitment. I know that the proceedings of the standing committee are on record, but I wonder if the minister would clarify whether his commitment was a government commitment rather than just a ministerial commitment, because ministers come and go but governments last a little longer. So perhaps he might indicate to us at this time that it was a government commitment which he gave to us in the standing committee.

Mr. Deputy Speaker: Before calling on the Minister for Public Works (Mr. Cosgrove), I must warn the House that if the minister speaks now he will close the debate.

Hon. Erik Nielsen (Yukon): Mr. Speaker, I just have a couple of quick observations, one of which is prompted by an article which appeared in *The Citizen* of yesterday, in the editorial pages, referring to "Cosgrove, Friend of the Cities".

It cites two examples of the reason for coming to that conclusion, one that he has had the magnanimity to introduce this bill—which, of course, has been introduced in the previous Parliament by the person who I thought had the responsibility, namely, the former minister of national revenue or the minister of finance, because all the Minister of Public Works (Mr. Cosgrove) does is to assume responsibility for the administration of the provisions of the bill—and the second that the minister gave a commitment, as though it were something new, to participate in the Rideau convention centre, which, of course, was a commitment also given by the previous government. I wonder whether that will sound reasonable for this normally unbiased and impartial newspaper, *The Citizen*, in so far as the Liberal party is concerned, to have come to those conclusions.

It is something like the President of the Treasury Board (Mr. Johnston) on Sunday on the program called "Insight", hosted by Mr. Douglas Fisher, who took credit for the implementation of project management and project control, cost control guidelines and control of cost overruns in Treasury Board as if they were something new. Indeed, all those programs were implemented by my colleague, the hon. member for York-Peel (Mr. Stevens), when he was president of the Treasury Board.

A more serious question to which I should like the minister to reply when he closes the debate is whether or not it is his intention to delegate all or part of the authority which is granted to him under the provisions of the bill to the National Capital Commission in so far as the administration of municipal grants in lieu of taxes is concerned because, as the minister knows, there are some 17 municipalities in the National Capital Commission, which body has, over the years, cemented a very close working relationship with those various municipal bodies. It was very strongly put, during the term of office of the previous administration, that perhaps this delegation should be made. While there was no final conclusion, because there was no conclusion of the debate on the bill which died on the order paper in the last Parliament, I wonder what the position of the government or of the minister will be with respect to the delegation of any part of those powers which are granted to him under this legislation to the administration of the NCC.

Mr. Knowles: Mr. Speaker, I rise on a point of order. A few moments ago you suggested that if the Minister of Public Works (Mr. Cosgrove) were to speak at that point, he would close the debate. The hon. member for Yukon (Mr. Nielsen) seemed to go along with your statement because he referred to the minister closing the debate.

May I remind you, sir, that we are at third reading and the minister does not have the right to speak twice, therefore, he does not have the right to close the debate. But I suggest that since he was not here when the motion was moved, the House agree to let him speak any time in the debate. I suspect from the way Your Honour has been smiling and nodding your head that you agree with me he does not have the right to close the debate. He may be the last speaker, but that would be accidental.

• (2130)

Mr. Deputy Speaker: The hon. member's point is well taken. I wonder if we could put it this way: by unanimous consent of the House, perhaps the minister could be invited to speak at this point and close the debate. Is that agreed?

Mr. Knowles: I think we should just give him unanimous consent to speak, even though the motion was already moved in his name. Since he does not have the right to close the debate at third reading—although he may in fact be the last speaker—let us let the rules take their course.

Mr. Deputy Speaker: The Chair has not observed any other members seeking to be recognized. In the circumstances, by unanimous consent the Chair calls upon the Minister of Public Works (Mr. Cosgrove).

Mr. Dantzer: Mr. Speaker, may I be recognized?

Mr. Deputy Speaker: The hon. member for Okanagan North (Mr. Dantzer) wishes to be recognized. I hope by the consent of the House I can recognize the hon. member. I apologize, but I did not realize the hon. member was seeking to attract the eye of the Chair.

Some hon. Members: Agreed.

Mr. Deputy Speaker: By agreement the Chair recognizes the hon. member for Okanagan North.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I should like to say a few words this evening now that the minister is here. Indeed the minister has been designated in publications throughout various parts of Canada as the president of municipalities. I think it is incumbent upon him to prove that particular designation which the newspapers have given him.

Once again I should like to speak to this act. It has been said already that the act attempts to improve the position of the federal government vis-à-vis municipalities. At report stage I said that it does not go far enough. The House should be aware as should this country that the whole place of municipal government in Canada is not recognized fully or appreciated.

I believe in an old political principle, that is, the political principle of "subsidiarity", which indicates that the laws should be made by those people who ultimately will be most affected by them. In that sense the municipal government is probably the most direct, efficient and best kind of government in this country. Certainly we have heard from many people that this Parliament does not work any more because it is overworked. With that understanding one should attempt to give government to other areas, but it is pointless to give responsibilities to other levels of government unless they are given adequate financing. I do not believe the federal government can justify its position vis-à-vis municipalities over the years in terms of financing.

I think the minister will agree with me. In fact the minister agreed at committee that we are not treating the municipalities fairly. His argument at that time was that under existing financial restraints the government cannot afford to pay or to stand in the place of a private citizen in municipalities across the country. I will go along with that. With the deficit the government is running and the built-in expenses which now exist, I think people on this side of the House would agree that now is not the time to solve the whole municipal financial problem because of federal government presence in each municipality. That does not mean to say we cannot admit the principle, that we cannot say we will allow ourselves to be subject to provincial assessors and their appeal procedures throughout the provinces if we do not like that kind of thing, that we will include all our property, including urban parks, docks and whatever which we now try to exclude, that we will attempt to be rational in our approach to municipal governments. Then, every year when we redo this act, we will not have the various assessors' associations, cities and municipal organizations coming to the federal government and spending perhaps thousands of dollars preparing briefs. I gather the minister agrees with the contents of them.

As has been said before by speakers in the NDP and other members on this side of the House, I am merely saying that rather than trying to increase, include and carry on the bureaucratic tangle which now exists in the act, we should rationalize it and place ourselves exactly in the position of a taxpayer. We should provide grants equivalent to the level an ordinary taxpayer, if he existed in a certain municipality, would pay. If we cannot afford it now we could phase it in just like the Quebec government has done. It is the only government in Canada which has recognized in a rational manner its obligation as a senior government to pay fair municipal taxes. Federally we should recognize that principle and perhaps phase it in if we cannot afford it now, which I think is true. That is merely the point I wish to make.

It is incumbent upon the House to encourage and support municipal governments. As I said previously at report stage, I do not think any municipality should have to subsidize the operations of federal government. Under the existing act, municipalities subsidize operations of federal government in their municipalities. I challenge anyone to deny that, that we are not paying our fair share of the taxes. We are doing one other thing. We are hiding the true cost of government.

Any department which owns buildings in any municipality and is not paying its fair share of the taxes is not revealing its true cost of government to the Canadian people. I think it is patently ridiculous that this House should support an act which to my mind carries out those two great indiscretions. Those two matters are really unfair. Therefore I appeal to the minister to carry out the undertaking he gave at committee stage to put this into the hands of tax experts in order for them to study the problem, bring it back to committee within a year and if necessary open up the act to rationalize it.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, I should like to take this opportunity to thank all hon. members present for what I perceive to be support for the bill before the House this evening.

Today I asked if I could be given an accurate number of the present members in this Parliament who had been elected to local offices, whether municipal offices or school boards, through the democratic process. I do not have that number, but with the support for this particular bill before Parliament on its third occasion, I can only guess that there must be a large number of people who, as I, have municipal experience and understand that the benefits of this act will be an improvement even though, as many members have indicated, it is not Utopia.

There will be a payment of some additional $25 million to approximately 2,400 municipalities from coast to coast across Canada. I thank hon. members who are present this evening for that support. In particular I thank my House leader and minister for agreeing to put the bill in this position so that it can be dealt with before the recess. In addition, I thank the House leaders of the parties on the opposite side of the House.

Although I have said that this is a small improvement, nonetheless I should like to draw to the attention of the hon. member that the municipalities have not been "hard done by" by the federal government. Indeed, until 1979 the federal government transferred grants in lieu of taxes in an amount which was greater than the total transfer of all provinces combined. If one considers local, provincial and federal government operations in Canada, with local governments doing much of the work of provincial governments, the federal government has carried its weight. This evening we see that the federal government, with the recognition of the efforts of the party opposite which introduced this bill in the last Parliament, has moved a step further in approving the transfers.

● (2140)

I would ask hon. members to refer to the comments which I made in committee in so far as that study group is concerned. I indicated I would address questions with regard to appeal provisions and ministerial discretion. With regard to the other questions raised this evening, given the opportunity, I will ask my department, which has now become the lead department in the administration of this program, to note all the comments made by all hon. members this evening or at any time which this matter was considered by this Parliament, whether the bill was in committee or in its earlier stages.

Mr. Nielsen: Answer the NCC question.

Mr. Cosgrove: I will conclude by saying that I believe the government process in Canada works best when it is a co-operative exercise at all government levels—local, provincial and federal. I believe that it is a remarkable gesture on the part of this House to move to recognize the problems of local governments even at a time when this federal government under its jurisdiction is in the process of negotiating a new arrangement with its partners, the provinces.

Business of the House

Mr. Nielsen: Mr. Speaker, before the minister resumes his seat, would he kindly answer my question as to whether it is his intention to heave off any of his responsibility under this act to the NCC?

Mr. Cosgrove: Mr. Speaker, the hon. member asked this question in his comments. I have the opportunity and the pleasure of leading this bill because administration was transferred within the last four months to the Ministry of Public Works. It was heretofore administered and under the aegis of the Minister of Finance. I can assure the hon. member that the question that he has raised will be one of the questions which I will address in the report which I undertook to prepare for committee.

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

Some hon. Members: Question.

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

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I see it is quarter to ten or nearly so and there is a vote scheduled for tonight. Rather than start the debate on the next bill now that there is barely a minute left, I suggest to my colleagues that they agree to call it quarter to ten.

I would like to use this opportunity, Mr. Speaker, to say immediately out of courtesy for my colleagues that tomorrow we will be considering Bill C-18 first, to be followed immediately by Bill C-31. I have good reasons to believe after consultation through some of my colleagues that Bill C-18 should not require too much time tomorrow afternoon and we will once and for all be able to proceed with Bill C-31 which will allow the Secretary of State for External Affairs (Mr. MacGuigan) who has been here since yesterday as well as the hon. member for Kingston and the Islands (Miss MacDonald) to make their speeches tomorrow afternoon, and I do hope so.

So the order of business of the House for tomorrow, Mr. Speaker, is Bill C-18, followed by Bill C-31. If tomorrow morning certain bills come back from committees—I am thinking in particular of Bill S-2 and Bill C-13—we would like to call one of those bills as a third item for discussion tomorrow afternoon. I see it is a quarter to ten, Mr. Speaker. I ask that you call it a quarter to ten.

[*English*]

Mr. Knowles: Mr. Speaker, may I thank the government House leader for making this announcement about tomorrow. As one who has taken part in the discussions, I think it is reasonable to expect that we can deal with both Bill C-18 and Bill C-31 tomorrow afternoon, provided there are not too many delays in getting started on government business at three o'clock.

Mr. Deputy Speaker: Order. Pursuant to an order made on July 11, it is my duty to interrupt the business of the House for a deferred division on Bill C-3. Call in the members.

* * *

● (2150)

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House proceeded to the taking of the division on the motion of Mr. Axworthy that Bill C-3, to amend the Unemployment Insurance Act, 1971, be read the third time and do pass.

● (2200)

(Division No. 13)

YEAS

Messrs.

Andre
Appolloni (Mrs.)
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blenkarn
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Caccia
Cardiff
Chénier
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion (Portneuf)
Dionne (Chicoutimi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fisher
Fleming
Flis
Forrestall
Foster
Fox
Francis
Fretz
Friesen
Frith
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gourd
Gray
Greenaway
Guay
Guilbault
Gurbin
Halliday
Hargrave
Harquail
Hawkes
Hees
Henderson
Hervieux-Payette (Mrs.)
Hnatyshyn
Hopkins
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Kaplan
Kelly
Kempling
Killens (Mrs.)
King
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Loiselle
Lonsdale
Lumley
MacBain
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacGuigan
Mackasey
MacLaren
MacLellan

YEAS

Messrs.

Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McKinnon
McMillan
McRae
Munro
(Esquimalt-Saanich)
Neil
Nicholson
(Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Reid
(Kenora-Rainy River)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schellenberger
Schroder
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Speyer
Stevens
Stewart
Stollery
Tardif
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wilson
Wright
Yanakis
Yurko—194.

NAYS

Messrs.

Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Hovdebo
Keeper
Knowles
Kristiansen
Manly
Miller
Mitchell
(Mrs.)
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson
(Burnaby)
Rose
Sargeant
Skelly
Waddell
Young—25.

● (2210)

[*Translation*]

Madam Speaker: I declare the motion carried.

Bill read the third time and passed.

Madam Speaker: It being ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon pursuant to the provisions of Standing Order 2(1).

At 10.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, July 16, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

ENERGY

ALASKA GAS PIPELINE—CRITICISM OF VOLUME OF EXPORTS TO UNITED STATES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

As the Canadian government is about to export huge quantities of natural gas to the United States, and as this will create the threat of a shortage as well as an increase in the price of natural gas, I move, seconded by the hon. member for Regina West (Mr. Benjamin):

That the House reprove the government for that decision which will force Canadians to pay more in the near future for the natural gas produced in their own country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

INTERNATIONAL WHALING COMMISSION

REPRESENTATIONS OPPOSING KILLING OF BOWHEAD WHALES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise, under the provisions of Standing Order 43, to put a motion of urgent and pressing importance.

Given that Canada will be sending a delegation to the International Whaling Commission meetings next week, and in view of the fact that the bowhead whale, with a worldwide population of only 1,200, is on the verge of extinction, as verified by the overwhelming weight of international scientific opinion, and whereas the Canadian government recently published an endangered species list which includes the bowhead whale, upon the recommendation of the Department of Fisheries and Oceans, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the Canadian delegation to the International Whaling Commission be instructed by this House to oppose absolutely the killing of bowhead whales, and to resist with determination any proposals to allocate quotas for the killing of bowhead whales by the commercial whaling fleets of foreign nations.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FLYING TRAINING

REQUEST FOR REMOVAL OF TAX IN CONNECTION WITH FLIGHT TRAINING—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

Whereas the federal government recently imposed a 9 per cent sales tax on all new small aircraft and related spare parts purchased by flight training schools which, compounded with a 15 per cent increase in landing fees at most airports as well as landing fee increases at Vancouver, Toronto, Dorval and Mirabel—up from $1.65 to $5—has forced these schools to increase their rental rates and lesson charges, and considering how these increases deter the expansion of energy efficient light aircraft travel which is so vital to this country, particularly in remote areas, and that many students take up flying to expand their educational horizons, further facilitating the use of light aircraft travel in Canada, I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That this government recognize the importance of these flying schools as educational rather than recreational institutions, and remove this tax and roll back increased landing fees which amount to taxation on classrooms in the air which we would not tolerate on conventional classroom facilities.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

THE CONSTITUTION

CONSTITUTIONAL REFORM DEADLINES—USE OF REFERENDA—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise under the provisions of Standing Order 43. Two prominent Liberals, former cabinet minister John Turner, and Quebec MNA and former Pepin-Robarts task force member Soulange Chaput-Roland, issued statements over the weekend critical of the approach taken by the Prime Minister to the reform of the constitution.

Madam Chaput-Roland charged that the Prime Minister was needlessly making life difficult for Quebec federalists by his insistence on an early deadline for constitutional reform and his threat to act unilaterally to patriate the constitution, and that the Prime Minister seemed incapable of approaching constitutional questions in other than a confrontationist spirit. I therefore move, seconded by the hon. member for Provencher (Mr. Epp):

That this House direct the Prime Minister to make a statement before the House recesses as to the government's position on constitutional reform deadlines and the policy of the government respecting the use of referenda for constitutional amendment.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN PIPELINES

ALASKA GAS PIPELINE—FINANCIAL GUARANTEES ON CONSTRUCTION—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas at least two annual meetings of the U.S.-Canada Parliamentary Committee in Calgary and San Diego have discussed the question of the Alaska pipeline in some detail, and whereas it has been consistently demonstrated at those meetings that an export-directed pre-build pipeline may be in the immediate interests of the United States but, without guarantees, makes as much sense as building the middle floors of a skyscraper without knowing whether or when the upper floors may be built, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House reaffirms the consistent position of the majority of the Canadian delegation to Canada-U.S. meetings that the Canadian section of the Alaska pipeline will only be built when there are firm and irrevocable guarantees that all sections of this transport pipeline will in fact be built.

Some hon. Members: Hear, hear!

Mr. Nielsen: Ironclad.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT AND IMMIGRATION

POEM ABOUT MINISTER—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 to place before this august assembly a matter of urgent and pressing importance.

I would move, seconded by the hon. member for Yukon (Mr. Nielsen):

That we offer apologies to Robert Service and John Milton for taking poetic licence, and offer the following epic entitled "The Laddie that's Known as Lloyd, or Closing the Bar".

A bunch of the boys were whooping it up in the Axworthy boys' saloon;
The hour was late, the beer was great, and the lonely western Liberals bayed at the moon;
Elbows were bent, and so was the law.
Leadership talk was out in the raw.
Young Lochinvar from Winnipeg footed the bill;
Now, the Liquor Control Commission is wishing him ill.
Talk ranged from the status of women to interim supply,
And all those goodies that money can buy.

Madam Speaker: Order, please.

Some hon. Members: Hooray.

* * *

AIRPORTS

TORONTO INTERNATIONAL—ACTION TO RELIEVE CONGESTION—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 41.

Some hon. Members: Oh, oh!

Mr. Jelinek: Standing Order 43. It seems we are all in need of a summer vacation.

In view of the 31.8 per cent increase in passenger activity at Toronto international airport in the last four years, resulting in growing and sometimes intolerable congestion, particularly in terminal 1, where it sometimes takes well over one hour to process departing and arriving passengers, and because during the same period of time no substantial improvements have been made other than, perhaps, cosmetic, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That this House instruct the Minister of Transport to act forthwith upon the conclusions already reached as a result of consultations regarding the SOMPS report.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

CONDEMNATION OF PERSECUTION OF RELIGIOUS MINORITIES IN IRAN—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise, under the provisions of Standing Order 43, on a grave matter of urgency which I hope will receive sympathetic support on all sides of this House.

In view of at least 26 more Iranians dying on Monday before a firing squad, including two leaders of the Baha'i religious sect, I move, seconded by the hon. member for Eglinton-Lawrence (Mr. de Corneille):

That this House of Commons deplores the continued persecution of religious minorities in Iran, especially the 200,000 Baha'is, and urges that this total abuse of religious tolerance be brought to the attention of the Human Rights Committee of the United Nations.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

REGIONAL ECONOMIC EXPANSION

ASSISTANCE FOR ATLANTIC PROVINCES—DREE GRANTS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Prime Minister. The Prime Minister will recall that in 1968 he had two great themes when he came into power in Canada. One was to overcome regional disparity in Canada.

I want to draw to his attention that in real, 1971 dollar terms, DREE spending by the government decreased 22 per cent between 1970 and 1978, while other government departments' spending, in real terms, rose 60.6 per cent. DREE spending is now only 1.2 per cent of total government spending, whereas it was 2.5 per cent in 1970. Whereas Atlantic Canadians earned 34 per cent less in earned income than Canadians generally in 1974, by 1978 they were earning 34¼ per cent less.

In view of these facts, I would like to ask the Prime Minister whether he will make a commitment that the government will give first priority to the overcoming of regional disparities in Canada. Will he make a commitment? Will he review his position on offshore mineral resources so that the people of Atlantic Canada can be given a chance to develop their own earned income now that government assistance in this way has failed so miserably despite these great efforts?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the situation in the Atlantic provinces obviously is one of disparity compared with richer parts of Canada. We have many policies to attack that. DREE is only one of them.

When we refer to the energy policy of which the hon. member talks, I can assure him that it is the policy of this government, in our energy policy in the past and in the future, to ensure that the maritimes and eastern Canada have, indeed, received equalization funds to the tune of many billions of dollars since we brought in our energy policy.

Mr. Hnatyshyn: When was that?

Mr. Trudeau: Since 1974. If we have the support of the House for the energy policy we proposed during the campaign, the Atlantic and other parts of Canada would benefit greatly—consumers as well as industry.

Mr. Crosbie: Madam Speaker, Atlantic Canadians do not want to be subsidized by the rest of Canada. They do not want hand-outs; they want to earn their own way.

The figures show that despite attempts by the government since 1968 to overcome this, the proportion of earned income of Atlantic Canadians compared with the rest of Canada has declined, not increased. We are not being given the chance to earn our own way. That is what we want. Would the Prime Minister specify what new initiatives he is taking? One suggestion would be to confirm ownership of offshore mineral resources in the provinces. Let them earn their own way, rather than give them equalization.

Second, would the Prime Minister give orders to his ministry to expedite the development of Lower Churchill power resources? The reports are now in to his Minister of Energy, Mines and Resources and to the Newfoundland government. Will the Prime Minister expedite that? What actions will he take to expedite economic development in Atlantic Canada—not hand-outs? They are not working.

● (1420)

Mr. Trudeau: Madam Speaker, hand-outs have certainly never been our approach. But when the hon. member complains that there is not enough money in DREE, for instance, and then goes on to say that the maritimes do not want to be subsidized, I fail to see how he is consistent in suggesting that

we put subsidies into the Atlantic provinces in order to create economic growth there. That has been our policy.

I cannot understand the hon. member, who is certainly in disagreement with the Atlantic premiers, when he says they do not want any form of subsidy. They hope eventually to reach the stage of economic growth where they can help the rest of Canada, and this is our hope too. The commitment we have made regarding the offshore is that until the provinces with resources off their shores have reached the average income in Canada, we intend to see that they get the overwhelming part of the resources from the offshore, precisely so that they will not have to receive subsidies.

We do not count DREE as one aspect of subsidy, as the hon. member seems to do, as against comparative statistics on income. I know that the statistics show that since DREE was instituted in 1969, the migration from the maritimes has been reversed. I think this shows that people are now moving to the maritimes because they see that in the ten years of Liberal federal government they have been given a chance to prosper.

Some hon. Members: Hear, hear!

Mr. Crosbie: I have a final supplementary question, Madam Speaker. People are moving back to the maritimes because under Liberal government there is no opportunity anywhere in Canada, and they might as well move back to the Atlantic provinces where the Tory provincial governments are.

Some hon. Members: Hear, hear!

Mr. Crosbie: I cite the figures that government spending has increased, in real terms, 60.6 per cent from 1970 to 1978, while DREE spending decreased 22 per cent, to show the Prime Minister that he is falling down in his commitment to the people of Atlantic Canada.

I should like to ask him this: would he give his ministry directions to expedite economic and industrial development projects, such as the Synchrolift in the dockyard owned by the government in St. John's harbour which will create jobs, or institute a policy of building east coast fishing vessels in east coast shipyards, something that was done in the budget of December 11; or would he direct his Minister of Energy, Mines and Resources to help expedite the opening of the Come-by-Chance oil refinery? These are all things which will create employment and wealth in eastern Canada. That is what we want—

Madam Speaker: Order, please.

Mr. Trudeau: Yes, Madam Speaker, and it is essential and at the very core of the energy policy which we will be proposing to this House, and which I will be discussing with Premier Lougheed next week, that this great windfall in energy prices serve to benefit all Canadians and permit us to expedite the very projects with which the hon. member is concerned. This makes me hope that we will have the support of that party when we try to redistribute the wealth which is coming to this country from windfall OPEC prices.

Some hon. Members: Hear, hear!

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OFFSHORE RESOURCES

INDUSTRIAL BENEFIT TO PROVINCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, the words of the Prime Minister, of course, are welcome if we could understand and believe that in fact he would give a directive to his ministry to undertake those things. But it is a little difficult to believe him when neither he nor any of his ministers—

Some hon. Members: Question.

Mr. Forrestall: —called at the constitutional conference to take place at Acadia University, the first one in Atlantic Canada recently, to back up—

Some hon. Members: Question.

Mr. Forrestall: I wonder if the Prime Minister, in light of what he has just said, could give us some assurances—a personal commitment—that the hydrocarbon resources of Hibernia, of the eastern Arctic, of offshore of the Sable shelf, will produce the industrial benefit in the maritimes or in Newfoundland and not be deflected to central Canada. Would he give us that assurance?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, that is a very reasonable position. It is certainly one that this government takes, that the fallout from offshore resources benefit largely the provinces which are neighbour to those resources. I have stated quite clearly in my policy statements on the offshore that this would be our intention, and I am glad to approve the hon. member's policy in this regard.

Some hon. Members: Hear, hear!

Mr. Forrestall: We are a little leary of gifts. What we want, as the hon. member for St. John's West indicated, is to get out from under transfer arrangements. The Prime Minister knows that we exist in Atlantic Canada on the basis of government to government, and government to people transfers of money.

● (1425)

I am asking the Prime Minister for his specific assurance that hydrocarbon development in any petrochemical industry, or in any other significant industrial development which comes out of hydrocarbons we are talking about, in fact will take place in the maritimes or in Newfoundland, not in Quebec or Ontario.

An hon. Member: That is the same question.

Mr. Trudeau: Madam Speaker, I just answered in the affirmative. The hon. member said that he is wary of gifts. Why does he ask me, if he does not want to be given this assurance?

Some hon. Members: Hear, hear!

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—FINANCIAL GUARANTEES FOR CONSTRUCTION OF TOTAL LINE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. The language of the Northern Pipeline Act passed by Parliament two years ago, which I read out yesterday, is unambiguously clear where it says that the financing of the whole pipeline must be provided before commencement of the pipeline.

"Pipeline", I repeat, is defined as being a pipeline from Alaska to the American border. Does the Prime Minister now agree that before we proceed in Canada with what has been described as the pre-build, a total guarantee must be obtained for the financing of the whole pipeline?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in fact that is what condition 12 indicates, condition 12 of schedule III, I believe it is. That is what it says. But the act also permits condition 12 to be amended, provided the financing is assured for that particular part of the pipeline which is to be built, and provided that the government is satisfied the financing of the remainder of the pipeline can be obtained. That is what the act says, and those are the conditions under which the government is acting.

An hon. Member: The NDP invented that.

Mr. Broadbent: Madam Speaker, the act is very clear, that "pipeline" is defined as being a pipeline from the southern 48 states through Canada to Alaska. That is what the act says. That is the kind of guarantee which must be obtained under the act before one can proceed with the building of any part. There is no doubt about that.

Last March, the Prime Minister said that the American administration told the Canadian government that we would be "damn fools" if we went ahead with the pre-build without 100 per cent guarantees in place for the entire pipeline. Since the Prime Minister agreed with that at the time, as the Minister of Energy, Mines and Resources since then has said that we need ironclad guarantees—

An hon. Member: Old ironclad.

Mr. Broadbent: —and since only 2 per cent of the financing has now been guaranteed, why is the Prime Minister even considering an option which the Americans themselves have described as a "damn fool" option for Canada?

Mr. Trudeau: Madam Speaker, as I answered in the House a few days ago, we in the government must be of the opinion and of the assurance that the whole pipeline can be financed. Otherwise, indeed we would be "damn fools" to authorize a part of that pipeline. That is why I say there is a value judgment to know whether the guarantees we have are strong enough; whether they are 100 per cent; whether they are ironclad or not. That is the judgment we must make, and that is the judgment cabinet will be making.

Mr. Broadbent: Madam Speaker, obviously we have "Mr. Flexible" as Prime Minister in terms of interpretation of the law. The law asserts very clearly that the guarantees must be in place, not can be put in place.

Some two years ago the Minister of Finance, who was then responsible for introducing the pipeline bill, said that one of the few reasons it was importrant to Canadians was that it would make it possible at some point in the future for Canadians in the south to have access to some five trillion cubic feet of gas in the Canadian Arctic.

Would the Prime Minister not agree that unless we obtain ironclad guarantees for the whole pipeline, Canadians in the south may never have access to our natural gas in the north, which we need?

● (1430)

Mr. Trudeau: No, Madam Speaker, I do not agree with that. When the hon. member referred to the law, I referred him to condition 12, section 3, which does say what the hon. member says it says. But the law also says that under section 20(4) of the act that condition can be amended by the governor in council authorizing a decision by the National Energy Board. That is what the law says; that is what the law of this Parliament says. This is what we have to decide as a government: shall we authorize the amendment of condition 12, or not?

We are saying we will only authorize that if we are assured that the whole pipeline will be built. That, I repeat, is the value judgment. What is the nature of those assurances? That is exactly what this government is examining. I am sure that is what the people of the country are examining. As the hon. member knows, the United Steel Workers of America are very much in support of this pre-build.

Some hon. Members: Hear, hear!

Mr. Trudeau: The government and the people of Alberta are very much in support of it—

Mr. Crosbie: And the "ironclad" workers.

Mr. Trudeau:— and those who have discovered gas and want to sell it are very much in support of this.

Mr. Crosbie: And the makers of "ironclad".

Mr. Trudeau: All these people who are interested in jobs for the workers and in further exploration for the benefit of Canadians are saying to us, "Look; will you study this serious-

ly?" Our answer to that is that we will have to be assured that the whole thing will proceed.

An hon. Member: Ironclad guarantees.

Mr. Trudeau: I see the Tories are talking about ironclad.

An hon. Member: No; Lalonde did.

Mr. Crosbie: The iron duke did. Old iron head.

Miss MacDonald: He is just another Cromwell.

Madam Speaker: Order, please.

Mr. Trudeau: Yes, Madam Speaker, we will have to make the judgment that the guarantees are ironclad. When you can say an ironclad flip-flop, I am sure ironclad has a lot of meaning for a lot of people.

Mr. Broadbent: Especially you.

Mr. Trudeau: I heard the Leader of the Opposition use that expression, "ironclad flip-flop". Madam Speaker, I am saying to this House that we will have to have that assurance.

An hon. Member: That is Liberalism.

Mr. Trudeau: That is why the decision we have to take is a very difficult one. I am thankful for the interest of the House. At least the position of the NDP is very clear; they do not care about the jobs. But the position of the Tories is not always clear.

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TRANSPORT

INQUIRY AS TO ESTABLISHMENT OF MERCHANT MARINE

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of Transport, who seems to be temporarily out of his seat.

Mr. Crosbie: He is temporarily dislocated.

An hon. Member: He has gone on the blink.

Miss MacDonald: He is off the rails.

Mr. Howie: In view of Canada's continuing balance of payments difficulties, impending cargo restrictions and the underemployment of Canadian seamen and shipworkers, when will the minister take a decision on the establishment of a Canadian merchant marine, which has the potential of being one of Canada's great industries?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the idea has been around for some time. It has been debated. It is debated more now than it was. I understand that there are continuous meetings between ship owners and shippers to develop ideas. Personally, my view is that it should develop on a progressive basis.

At the moment there are a number of possibilities being explored. One of the most plausible or productive is the export of oil to Mexico. There are a number of companies interested in that now. I am aware, and I am pushing and doing my best to support efforts in that direction.

Mr. Howie: I had hoped that where a general policy decision had been taken by the former government, the minister might be able to give us a definite date when he could make a decision on the principle.

Does the minister have under active consideration a proposal to close the Canadian Arctic north of 60 to all but Canadian-built or registered ships within the next five years? If so, when does he contemplate taking a decision on this matter? Is this decision part of the comparable program to replace the 20 per cent subsidy on shipbuilding in Canadian shipyards? Is it related?

Mr. Pepin: Madam Speaker, I cannot answer the hon. member's question; I need more information.

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FISHERIES

FUTURE OF FISHING VESSEL SUBSIDY PROGRAM

Mr. Mel Gass (Malpeque): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans, and it concerns the vitally important question of the future of the fishing vessel subsidy program.

This year the minister is operating with an unusually high carryover in his vessel subsidy program due to a number of reasons, the main one being the difficulty the Newfoundland loan board had last year. Because of this high carryover the minister will be unable to approve any new subsidies for this year.

Since the minister indicated that he was attempting to secure additional funding for the program from his colleague, the President of the Treasury Board, so that the program could continue, could he inform the House, today, how successful he has been in securing additional funding for vessel subsidies, so that the fishermen of Atlantic Canada may know what the federal government's intentions are for the subsidy program this year?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, we are having trouble with the vessel subsidy program because of a decision by the previous government of which the hon. member was a supporter: that was to leave in the estimates for the current year the sum of $2 million, which in fact only covers the carryover from levels of funding which had been $10 million two years ago and some $8 million last year. Obviously, there was a carryover which has to be covered.

The previous government decided to do away with the vessel subsidy program. The budget of the former minister of finance of the Tory party suggested a plan which was very helpful to

large, organized bodies like big companies, but in fact left individual fishermen high and dry. That is what we are trying to restore. We are trying to repair the damage of that policy.

Mr. Gass: By way of a supplementary, Madam Speaker, could the minister confirm to the House that major changes to the program are not being planned by his department for future years, changes which will see the subsidy drop from its present 35 per cent to something substantially lower?

Mr. LeBlanc: Madam Speaker, we have had constant discussions with provincial governments. Some have programs where there is zero per cent interest on their loans, others have commercial interest rates, and others have 8 per cent. We are trying to co-ordinate these programs.

We have also looked at the possibility that a lower percentage of the subsidy might, in fact, achieve the same aim. No decision has been made. I am trying to restore the program to at least an adequate level of funding, which is what the previous government did not do.

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—FINANCIAL GUARANTEES BEFORE CONSTRUCTION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I should like to return to the Prime Minister and the line of questioning begun by the hon. member for Oshawa. I might say that we find it very difficult to hear, from the man who wants to entrench a bill of rights in the constitution, the notion that an act of Parliament can be fundamentally changed by order in council.

Mr. Trudeau: That is what the law says.

Mr. Waddell: My question is this: without agreeing for a moment that the government has the authority to change the act—putting that aside—is the Prime Minister telling this House that one of the options he is considering is changing the Northern Pipeline Act so that he can go ahead with the pipeline without the ironclad guarantees, or going to an option which the Americans have called a damn fool option?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I find that the preamble indicates the hon. member certainly has a lesser understanding of the act than his leader does.

An hon. Member: That is not hard.

● (1440)

Mr. Trudeau: We are not arbitrarily changing the act against the will of Parliament. Section 20, subparagraph 4, of the act states that the terms and conditions can be amended by the National Energy Board with the approval of the governor in council. That is what Parliament said could be done. We are not trying to shirk our responsibilities.

Mr. Waddell: Madam Speaker, Canadian people know very well that the Prime Minister is trying to skate around this matter and sell them a bill of goods.

Some hon. Members: Oh, oh!

An hon. Member: You don't understand.

Mr. Waddell: The Prime Minister said that he would do his homework on this issue. Last Monday I asked him about the backstop agreement with TransCanada PipeLines. I suggested to him that by that agreement they are obligated to guarantee the shipment of gas out of Alberta to the United States for 15 years—some 4.5 trillion cubic feet of gas. That is much more than the amount which is needed for the pre-build section.

Has the Prime Minister had a chance to look at the matter, and is he prepared to consider it? Does he not recognize a big sell-out of Canadian gas when it hits him in the face?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this matter was examined by the National Energy Board and no export will be authorized by the government unless, first of all, the Energy Board is convinced that all the conditions concerning future security of supply for Canadians are guaranteed.

Secondly, the government itself must be convinced that the Energy Board is right. This is the situation under the law as it stands at the present time, and it is what we intend to follow in the future.

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VETERINARY COLLEGES

SUPPORT FOR PROPOSED COLLEGE IN ATLANTIC REGION

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Prime Minister. Given that each year Canada must import a number of veterinarians because the three existing Canadian veterinary colleges are unable to accept anything more than a very small proportion of the applications from qualified Canadians, is the government committed to supporting the proposed Atlantic regional veterinary college; and if so, what is the share of the cost which it is prepared to meet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sorry, but I am not on top of the problem of veterinary colleges. There may be an acting minister or a parliamentary secretary who can fill me in on this matter.

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INDUSTRY, TRADE AND COMMERCE

PROMOTION OF INTERNATIONAL SALE OF SEED POTATOES

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, the potato industry of the maritime provinces grows the best seed potatoes in the world from the cleanest soil in the world.

In view of the potential markets for this product, and in view of the industry's capability of being affluent and independent, provided sales and agricultural expertise are combined in the consulates of the world, has the Minister of Industry, Trade and Commerce, in view of representations made to him by officials and growers from Atlantic Canada, taken any steps to put the expertise of sales and agriculture combined in consulates in areas in which this type of high-quality product could be sold to assist Atlantic Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have been working actively on this matter, particularly with respect to the European Community. We have been increasing our efforts to clear away certain obstacles in the export of seed potatoes to that important market area, and we will continue to do so. We also committed ourselves, in the Speech from the Throne, to organizing a new agricultural export corporation which will be able to work in co-operation with my department to facilitate exports of seed potatoes and other Canadian agricultural products.

Mr. McCain: Madam Speaker, while the European Economic Community is a very important market for this product, the market is much broader and much wider than has been described by the Minister of Industry, Trade and Commerce. The market is international. I would ask him, therefore, to consult with the industry, with maritime officials, make a list of potential markets and to assure Atlantic Canada that this industry could be independent with the proper representation in foreign consulates.

I would like to say that the interjections by the maritime members with respect to representations on behalf of the maritimes indicates their guilty conscience and their incapacity to represent Atlantic Canada as Liberal members.

Mr. Gray: Madam Speaker, we have already been consulting with the people mentioned by my hon. friend. My colleague, the Minister of State for Trade, recently met with a major spokesman of the New Brunswick seed potato industry. We have taken aboard those kinds of views and, in particular, the views of our very active and capable Liberal members from the maritimes in a way which will lead to a greatly expanded export of maritime seed potatoes to all relevant markets in the world.

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ENERGY

RESOURCE OWNERSHIP UNDER CONTROL OF PROVINCES—GOVERNMENT POSITION

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, my question is addressed to the right hon. Prime Minister. When the Prime Minister meets with Premier Lougheed later this month to discuss oil policy, will he take into account a recent Gallup poll which shows that only 16 per cent of western Canadians favour the constitutional position of Mr. Lougheed that resource ownership be under the total control of the province?

Some hon. Members: Hear, hear!

Mr. Crosbie: Don't believe it for a second, Pierre.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it has always been the position of the Liberal party—and I stated that in so many words in the throne speech debate in this House a few months ago—that when there is a conflict of interest between a regional interest and the interest of the whole nation, the people of Canada would support action on behalf of the interest of the whole nation.

Mr. Crosbie: Right on.

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TRANSPORT

RECOVERY OF DAMAGES FROM OIL SPILL OF "KURDISTAN" AND CRASHING OF SOVIET SATELLITE

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in the absence of the Minister of Justice, I put my question to the Minister of Transport who must have knowledge of all these matters.

Mr. Crosbie: Some hopes!

Mr. Corbett: Would the minister explain to the House the government's plan to sue the Nile Steamship Company of Great Britain, a respected employer of hundreds of British subjects, over the sinking of the tanker *Kurdistan* in the Cabot Strait in March, 1979, for the amount involved, and advise whether or not it is his government's intention to sue the Soviet Union for damages incurred in 1978 when the Soviet nuclear satellite, Cosmos 954, crashed into Canada's northland, which it apparently cannot collect?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed I do have a note on that subject.

Some hon. Members: Hear, hear!

Mr. Pepin: The company-owner of the ship had taken legal action to limit its liability to $3 million. The cleaning-up operation has cost the Government of Canada $6.9 million, and the government opposed the company's action by filing a statement of defence in court on July 15. Action on this matter is not expected to commence in court until after a U.K. formal inquiry which is scheduled to begin in January, 1981.

Mr. Nielsen: Now for the second part of the question.

Mr. Corbett: Madam Speaker, I thank the minister for his answer to the first portion of my question. However, he neglected the second portion of my question, which is whether or not the government intends to sue the Soviet Union for the cost of the Cosmos incident. Canada's claim in the Cosmos incident is slightly over $6 million, despite the cost to the

minister's department and other departments of about $14 million.

In view of that fact, how can the minister justify our suing a friendly nation such as Great Britain, or a company associated with Great Britain—without any apparent negotiation—while not suing Russia for a multimillion dollar bill which is only half the real cost? Can the minister explain to the House why his government is so intimidated by the Russians and so anxious to appear friendly that they are prepared to write off millions of dollars without using the same tactics that they use on their supposed friends and allies?

Mr. Pepin: Madam Speaker, I thought I mentioned everything on the subject of the ship which is my responsibility. I even have the names of the lawyers who will be acting for us on the matter. However, with regard to the Cosmos and our relationship with the Soviet Union, I will have to bring that matter to the attention of the Minister of Justice.

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—FINANCIAL GUARANTEES BEFORE CONSTRUCTION

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Prime Minister and it is with regard to the northern pipeline. I am sure he is aware that the section Caroline south to the American border is, in fact, the cheapest section of the line. In meetings which I had recently with Senator Ted Stevens of Alaska, he indicated that the Americans are actively considering moving their gas from Alaska down to the continental United States by tanker, which brings me to the real point. Would the Prime Minister tell the House what sort of guarantees, or what does he expect to be in place for the Americans to construct their connecting line if we are, in fact, going ahead with the construction of the Caroline south section?

● (1450)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, our most recent meeting with Senator Ted Stevens was to the effect that he was in full and complete support of the Alaska gas pipeline route. He was one of the leaders of the Republican minority who pushed the resolution through the Senate, and he voted for it, expressing total and unanimous support of the American Senate for the construction of the Alaska gas pipeline before 1985.

Mr. Fulton: My supplementary is to the Prime Minister. I appreciate what the Minister of Energy has told us; however, it is a sort of conflicting view. They are looking at tankers to move it, and yet they are supporting the line. Obviously, there is a contradiction there without some kind of guarantee. What are we to expect, the tankers or the line?

My question to the Prime Minister goes back to the Northern Pipeline Act, schedule 1(2), under the subtitle Expeditious Construction Timetable. The agreement between the two governments was that the Alaska section would start one year prior to the Canadian section. I wonder why the Prime Minister and the government are moving so quickly to change that, so that the pre-build section will come first, in light of the tanker section, instead of what was agreed between the two governments—that the Alaskan section would come first, guaranteeing it to Canada.

An hon. Member: That was amended.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, one of the reasons we would be moving, if that is the decision we take, is because it would mean a lot of jobs for Canadian workers and a lot of revenue for Canadians.

Some hon. Members: Oh, oh!

Mr. Trudeau: That is one argument that I must say is very strong, at least from the point of view of our party. When you get telegrams from steelworkers all across the country saying that they favour the pre-build, it is obviously something we must put in the balance.

In so far as what the act says, I repeat my earlier answer: section 20(4) indicates that condition 12 can be amended: in fact, it has been amended by the National Energy Board. That section, as amended, says that we have to have the assurance that the pre-build will be financed and we have to have the assurance that the whole thing can be financed.

An hon. Member: Will be built?

Mr. Trudeau: I am sorry; the hon. member has not read the section as amended.

An hon. Member: You cannot change the whole.

Mr. Trudeau: As amended, condition 12 requires that the minister and the board be satisfied, first, that financing for the pre-build has been obtained; and, second, that financing for the remainder of the pipeline can be obtained.

Some hon. Members: Oh, oh!

Mr. Trudeau: That is what the amended section says.

An hon. Member: By the National Energy Board?

An hon. Member: Have you approved of that?

Mr. Trudeau: That is what we are in the process of looking at, Madam Speaker. The opinion of hundreds of thousands of workers across Canada has some weight with us, if not for the New Democratic Party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Northumberland.

Some hon. Members: Hear, hear!

An hon. Member: Keep going.

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ENERGY

JUSTIFICATION FOR RAISING PRICE OF NATURAL GAS

Hon. George Hees (Northumberland): Of course I am going to keep going; I have been recognized by Madam Speaker.

Some hon. Members: Hear, hear!

An hon. Member: Go get them, George.

Mr. Hees: I have a question for the Minister of Energy, Mines and Resources—the original "Mr. Ironclad". My question is this. As there never has been any economic justification for the price of natural gas increasing at the same rate as that for oil, following the increase of OPEC oil prices which have taken Canadian oil prices steadily upward, there has been no economic justification for raising the price of natural gas.

Is the government considering increasing the price of natural gas at a rate no greater than the increase in the cost of production, so that our very large and steadily increasing supplies of natural gas in this country can be made more attractive for heating homes, factories, stores, office buildings, apartment houses and for industrial production? In this way we can bring Canada to a state of self-sufficiency in oil in the shortest possible time so that oil can be used only for transportation and plastics.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for his very helpful contribution. I will just say that the latest increase in the price of natural gas has been for exports to the United States. The domestic price is much lower than the equivalent world price of oil.

The increase in the price of natural gas shipped to the United States, and relating it to the substitution price for oil, was made under the Conservative government in January. I would expect that my colleague is not blaming the government of which he was a member for having done it. As far as this country is concerned, I am glad that we have the full support of the hon. members—

Mr. Clark: Herb does not understand the difference between Canada and foreign countries, either.

Mr. Lalonde: —and, I hope, all hon. members of the Conservative party in making sure that both in gas and oil Canada will not be tied to international prices.

Some hon. Members: Hear, hear!

Mr. Hees: Madam Speaker, I was not speaking of the price of natural gas exported to the United States. I am talking about the price of natural gas in Canada. The minister knows very well that each time the price of oil in Canada has been increased following OPEC price rises, the price of natural gas has been increased by the same proportion. It is that that I am talking about.

I ask, in the interests of encouraging the use of natural gas for the uses I have mentioned, that in future the price of natural gas be increased only to accommodate increases in the cost of production, so that this very valuable fuel may be used for heating, and make oil available only for transportation and for plastics.

Mr. Lalonde: Madam Speaker, again the contribution by the hon. member is very interesting indeed. He will remember that under Liberal governments we always refused to raise the cost of fuel each time there was an increase announced by OPEC. The Conservative budget, however, wanted to tie in raising the price of oil to international prices.

Mr. Clark: That is not true. That is a deliberate falsehood.

Mr. Neilsen: That is a deliberate falsehood.

Some hon. Members: Oh, oh!

An hon. Member: Your nose is growing.

An hon. Member: Carry on, Pinocchio.

Mr. Lalonde: The Conservative budget wanted to tie the raise in the Canadian price of oil to international prices. We have objected to that. This was rejected in Parliament and rejected by the country.

As to the question of the price of gas, the suggestion of my hon. friend, as I have said, is going to be examined with great care, like all his other suggestions.

* * *

THE CANADIAN ECONOMY

CANADA-U.S. EAST COAST FISHERIES TREATY—ATLANTIC ECONOMIC CONFERENCE

Mr. J. P. Nowlan (Annapolis Valley-Hants): My question is to the Prime Minister. It is going to try to bridge some questions on Atlantic Canada with the northern pipeline. My question to the Prime Minister is this: what further guarantees on the pipeline does he have that are better than the guarantees he has, as a government, on the fishing treaty on Georges Bank?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the situation is a bit reversed. In the case of Georges Bank we had the guarantee of the Administration, but we did not have that of Congress—nor do we have it yet. In the case of the pre-build, we have the guarantee of Congress and we are hoping to get a guarantee from the President. So we will have both.

Mr. Nowlan: Madam Speaker, I appreciate the Prime Minister's answer, and only time will tell how valid those guarantees, ironclad from "iron head" over here, are.

Some hon. Members: Oh, oh!

An hon. Member: Big man; big mouth.

Mr. Nowlan: The iron duke, then.

An hon. Member: That is better.

Mr. Nowlan: My supplementary is for the Prime Minister. A number of questions have been asked by my maritime and Atlantic colleagues on many problems affecting Atlantic Canada. Because we have not been able to ask about matters of concern such as commitments to Sysco, Georges Bank, Q and M Pipe Lines; recognizing the Prime Minister's concern and very involved activity in terms of the referendum vote in Quebec, and the fact that his government at an earlier time—because of western alienation—had a western economic conference to help focus attention on western problems, and in view of the fact that in Atlantic Canada we feel a little left out because of attention and preoccupation with other large matters, I ask the following question.

● (1500)

Would the Prime Minister consider having an Atlantic economic conference some time in the foreseeable future, after September, to focus with the four Atlantic provinces and representatives on the Atlantic area problems, and have that conference in Atlantic Canada.

Mr. Trudeau: Madam Speaker, the hon. member is making a worthy suggestion that we will consider; but it seems to me that the premise of his question is very flimsy. In his very constituency, this government has just made a grant of $43 million to Michelin. Very recently, this government announced the decision on the EPA.

An hon. Member: You would not go there.

Mr. Trudeau: I don't think it is fair—

Mr. Clark: That is also where Acadia University is.

Mr. Trudeau: I do not think it is fair to assume that this government has not been preoccupied with the Atlantic provinces. These two examples, one in the hon. member's very constituency, prove that it has.

Some hon. Members: Hear, hear!

* * *

NORTHERN PIPELINES

ALASKA GAS PIPELINE—JUSTIFICATION FOR ALLEGED ACTION IN CONTRAVENTION OF LEGISLATION

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I put a further question to the Prime Minister. In view of the fact that section 20(4) of the Northern Pipeline Act gives the National Energy Board, on approval of the government, power to amend the financial arrangements set out in condition 12 in schedule III, but does not give it any power to change the definition of "pipeline", which in the act is given clearly as a line for the transmission of natural gas from Alaska across Canada, and so on, how can the Prime Minister justify using that order in council power to confront us with something that is totally different from what this act is all about?

This act is about a pipeline as defined in section 2 of the act. Is not the Prime Minister abusing that order in council if he uses it, in effect, to change the whole project?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if in fact it was something totally different, then the hon. member would have a very valid point. But everyone who has been talking about the pre-build has not been talking about something totally different: they have been talking about building, in stages, a part of the entire pipeline.

If it were, in some other area, doing some other thing, I think the argument would be that it is a different pipeline. But when you are building a pipeline of a certain distance, and you decide to proceed with one part of it first, you are not doing something different: you are proceeding in stages toward the whole. That is the judgment we have to make—will the whole be built if we do the part. That is a judgment we will be deciding on tomorrow.

Mr. Knowles: Madam Speaker, may I ask the Prime Minister if it is correct that nowhere in the act is there any reference to the pipeline other than the total, indivisible project, and if what is now proposed is something else, is it not something other that the act provides?

May I also ask the Prime Minister if he is aware of the fact that this House got into serious trouble in 1956 because the government of the day defied Parliament to put through a commitment that C. D. Howe had made to American financiers before he consulted Parliament? Does the Prime Minister want that to happen again?

Mr. Trudeau: Unlike the hon. member, Madam Speaker, I was not here in those days and I am not sure of the value of that parallel.

Mr. Clark: You were writing about it.

Mr. Trudeau: Once again, I understand the concern of the hon. member and his party. It is a concern that we share. That is why it has not been a decision which was easy and which has been made yet. Once again, when the hon. member says that nowhere in the act does it talk of building a part: that does not mean you have to build the whole thing at the same time, which is a physical impossibility.

To take comparisons which may seem simplistic, but which I think will make the hon. member understand, when we built

the Seaway, we did not build every canal at the same time. The important thing was that it was going to be an effective part of a Seaway which would eventually exist. The same with the Trans-Canada highway: it was built at different times, even in different decades, but the same law applied because it was a Trans-Canada highway. This is the way we see the pipeline. It would be preferable—

Some hon. Members: Oh, oh!

Mr. Trudeau: I see the Leader of the Opposition harping. We have not heard from him as to what he thinks would be good for the country and for Alberta.

Some hon. Members: Hear, hear!

Mr. Trudeau: We may end up agreeing or disagreeing with our friends in the New Democratic Party because some of them, like the hon. member for Broadview-Greenwood, are friends.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: Why didn't they join the cabinet?

Mr. Trudeau: They could have joined the cabinet. This we know, Madam Speaker, but we will never know if we will have agreed or disagreed with the Tories, because they don't know what they think.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

COASTGUARD

INADEQUATE FACILITIES FOR MARINERS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Transport. In view of the fact that Captain Gordon Hallett, of Lockeport, Nova Scotia—master of the *Lady Anne III*—had to steam 180 miles from Georges Bank to Shelburne, Nova Scotia, due to the inability of the Canadian coastguard to provide a helicopter to save an injured seaman, I ask the Minister of Transport if he is aware of this situation. If so, what steps is he planning to take so that more adequate protection is provided our mariners when an emergency arises?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not aware of the particular case referred to by the hon. member, but the search and rescue program of my department has been a major preoccupation of mine. I wish to underline the fact that, for example, there will be an increase this year over last year from $3 million to $13 million allocated to the marine aspect of the search and rescue program.

I will inquire about the particular matter referred to, but I want to assure my hon. friend that the search and rescue program is a major preoccupation of both myself and my department.

Mr. Crouse: Since it is obvious our Canadian coastguard, as the minister has indicated, requires improvements in order to cope with our present situation, will the minister consider the construction in Atlantic Canada of at least two additional coastguard ships that are equipped with helicopters in order to more effectively patrol our 200-mile fishing zone? That is a whole lot more water than we ever had to patrol before. We would then be in a position to save the lives of our mariners when catastrophe strikes.

Mr. Pepin: Madam Speaker, a few months ago I rejoiced in the opening of the coastguard college in Sydney, at which time I was present to mark the ceremony. I am now working on the possibility of extending the athletic facilities of that school.

With regard to vessels, we now have six in the program. I cannot tell the hon. member if they will be located on the west coast or the east coast. I will find out and report to him accordingly.

* * *

SPEAKER'S RECEPTION

CHANGE OF VENUE

● (1510)

Madam Speaker: Because of the menacing weather, which the Department of the Environment has confirmed will be increasingly menacing by the end of the afternoon, the Speaker's reception, which was to be held at Kingsmere, will be held instead in the Railway Committee Room, Room No. 253D.

* * *

PRIVILEGE

MR. GURBIN—DISTRIBUTION OF GOVERNMENT INFORMATION TO DEFEATED LIBERAL CANDIDATE

Madam Speaker: On Monday the hon. member for Bruce-Grey (Mr. Gurbin) raised a question of privilege in which he complained that certain information in which he was vitally interested had been made available in his constituency by the Department of Fisheries and Oceans on a partisan basis, and that it had not been communicated to him.

As the hon. member knows, we have dealt with similar cases this session and in each case the Chair reached the conclusion that an hon. member's grievance cannot be proceeded with as a question of privilege unless it can be shown that the act or the omission complained of was clearly related to the hon. member's parliamentary duties. The hon. member for Bruce-Grey probably had a very serious grievance—I do not dispute that. The minister responded to that grievance in his reply to the question of privilege, and therefore I cannot see that there is a further role for the Chair to play in this matter.

* * *

POINTS OF ORDER

MR. McCAIN—REPLIES BY MINISTER OF FISHERIES AND OCEANS DURING QUESTION PERIOD

Mr. Fred McCain (Carleton-Charlotte): On a point of order, Madam Speaker, I do not know whether it was intentional but I believe the Minister of Fisheries and Oceans (Mr. LeBlanc) misled Atlantic Canada in the course of some of the remarks he made in response to questions. For instance, he said that his predecessor in office was going to spend only $2 million in fishing boat subsidies. I believe, in answer to an earlier question, he referred to the number of envelopes which pertained to federal estimates and expenditures.

When the Minister of Fisheries and Oceans gets around to opening all the envelopes which relate to expenditures on the fishing industry in Atlantic Canada he will find not only that his predecessor had decided to spend as much money as he had previously spent as minister of fisheries but that in the various envelopes there was a very substantial increment in both the intentions for expenditures in subsidies to fishing vessels and for the maintenance and improvement of small craft harbours. I just want to straighten this out for Atlantic Canada. When the minister gets all those envelopes opened I am sure he will find that what I have said is absolutely in accordance with the facts.

Madam Speaker: The hon. member did rise on a point of order, did he not?

Mr. McCain: Yes.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I will reserve my right, with your permission, to comment on the hon. member's point of order. But if my memory is correct the estimates for fishermen's vessels' subsidies contained a very modest amount. As to whatever was targeted for small craft harbours and so on, the reality is that the estimates we have before us, the only ones we can deal with, do not contain provision for the campaign promises made by hon. members on the other side.

Import Policy

MR. CROSBIE—REPLIES BY MINISTER OF FISHERIES AND OCEANS DURING QUESTION PERIOD

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise on the same point of order as was raised with respect to the Minister of Fisheries and Oceans (Mr. LeBlanc). If the minister checks the facts he will discover that there was $50 million additional spending provided in the estimates this year for eastern Canada, $25 million of which was to have been devoted by the prior administration to the Department of Fisheries and Oceans for employment-creating projects in eastern Canada—particularly small craft harbours—which funds have apparently disappeared since the change of government. The Minister of Fisheries has been unable to locate them, unless he has done so recently, so his colleagues are keeping from him $25 million which he would have had were he his predecessor. And that money could have been used as subsidies for fishing vessels as well as for small craft harbour projects, or whatever.

Madam Speaker: I wonder whether the hon. member would not agree that his point of order should stand over since the minister has asked that he be given the opportunity to look into some of the information, thus allowing us to proceed.

ROUTINE PROCEEDINGS

[*Translation*]

POLICY RESPECTING IMPORTS

TABLING OF WORKING PAPER

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, pursuant to Standing Order 41(2), I should like to table in both official languages a working paper entitled "Proposals on Import Policy".

[*English*]

Hon. Yvon Pinard (President of the Privy Council): Just a minute ago, Madam Speaker, the Minister of State for Finance (Mr. Bussières) tabled a discussion paper on import policy. I am told he has held consultations with the other parties and that there is unanimous consent to agree to the following motion:

That the discussion paper on import policy, tabled this day, be referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Walter Baker (Nepean-Carleton): Yes, Madam Speaker, there has been that type of consultation and it is agreeable to us.

Mr. Knowles: Agreed.

Madam Speaker: Shall the motion carry?

Some hon. Members: Agreed.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 13, 47, 101, 348, 535, 618, 734, 735, 886 and 1,275.

[*Text*]

PUBLIC ARCHIVES—STUDY FOR RELOCATIONS—HULL, QUE.

Question No. 13—**Mr. Cossitt:**

1. Did the government carry out a study to modify a building in Hull, Quebec to be used for the relocation of the Public Archives of Canada and, if so (a) on what date and who authorized it (b) was the study completed and, if so, on what date (c) was the estimated cost of such building modifications $40,000,000 and, if not, what was it?

2. Does the government intend to proceed with the project and, if so, for what reason?

3. Will the government consider cancelling the project?

4. Is it a question of space in existing accommodations and, if so, will the government consider extending such accommodations rather than moving a further government establishment across the Ottawa river?

Hon. Paul J. Cosgrove (Minister of Public Works):

1. (a) A preliminary study conducted by Public Works Canada employees is currently under way based upon the Treasury Board approval in December of 1977 of a departmental recommendation which resulted in the previously announced move of the Solicitor General to Hull being deferred, and in which the possible moves of portions of Public Archives and others was discussed.

   (b) The preliminary study is not yet complete.

   (c) The cost of building modifications will not be $40 million. The department had included a sum of $82.88 per square metre in their program for building fit-up approximately 23,233.63 square metres. The resultant estimate is therefore $1,925,000.

2. Yes, to provide for necessary relocation and expansion requirements of Public Archives' facilities with the least capital expenditure.

3. Until the final estimates of cost are made and approved, the scope of any project is subject to review.

4. A new facility for Public Archives is included in the long-range program but constraint in capital expenditures requires that a solution be found for immediate expansion requirements with a lower cash outlay in the short to mid-range period.

ROYAL CANADIAN MOUNTED POLICE—PERSONNEL

Question No. 47—**Mr. Cossitt:**

1. What is the total number of personnel in all divisions of the Royal Canadian Mounted Police at the time the answer to this question is compiled and how many are (a) male (b) female?

2. Does the government plan to expand the size of the RCMP?

3. Does the government plan to increase the percentage of females in the RCMP?

Hon. Bob Kaplan (Solicitor General):

1.

	(a) Male	(b) Female	Total
Regular Members	12,664	289	12,953
Special Constables	1,169	170	1,339
Civilian Members	1,027	600	1,627
Public Service Employees	646	2,749	3,395
	Total 15,506	3,808	19,314

2. Yes. Treasury Board has approved a net increase of 185 person-years and related positions effective April 1, 1980.

3. Yes. In line with government policy, the commissioner has expressed the need for increased participation of females in law enforcement. Reduced numbers of females applying for the force have necessitated offering procedural preference to these candidates in order to meet such goals.

MR. PIERRE FRANCHE

Question No. 101—**Mr. Cossitt:**

1. On the date that Mr. Pierre Franche was appointed Chairman of the National Harbours Board, who was the Prime Minister of Canada?

2. What is a detailed history of Mr. Franche's career in the Public Service?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. The Right Honourable P. E. Trudeau.

2. The detailed history of Mr. Franche's career in the federal public service is as follows:

1967—1970 Department of Regional Economic Expansion
— Federal administrator for the socioeconomic development plan for the lower St. Lawrence and Gaspé region
— Acting regional director, province of Quebec

1970 Secretary of State
— Senior management adviser Citizenship Program

1971 Department of Indian and Northern Affairs
— Assistant director of the national and historic parks branch

1973 Department of Indian and Northern Affairs
— Director of policy, planning and research, Parks Canada

1974 Department of Indian and Northern Affairs
— Assistant deputy minister, finance and administration

1975 Department of Transport
— Special assistant to the marine administrator, Ports Policy Task Force

1976 to the present, chairman, National Harbours Board.

SUPERANNUATION

Question No. 348—**Mr. Herbert:**

For the fiscal year ended March 31, 1979, what amount was paid to pensioners from the (a) Public Service Superannuation Account (b) Canadian Forces Superannuation Account (c) Supplementary Retirement Benefits Account?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence and Treasury Board as follows:

Treasury Board:

(a) The amount paid in annuities to pensioners from the public service superannuation account during the fiscal year ended March 31, 1979 was $297,159,923.

(c) During the fiscal year ended March 31, 1979, the amount of indexing payments made to public service pensioners from the supplementary retirement benefits account was $8,315,665.

National Defence:

(b) $219,612,443.46

(c) As it pertains to military pensioners—$65,685,204.66

LABOUR—PERSON-DAYS LOST

Question No. 535—**Mr. Orlikow:**

How many man-days of work were lost in (a) 1977 (b) 1978 (c) 1979 as a result of strikes, industrial accidents, illness or unemployment?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Labour and Statistics Canada as follows: Labour Canada:

Person-days lost directly as a result of strikes and lockouts in 1977, 1978 and 1979:

	1977	1978	1979(P)
Federal jurisdiction	501,130	766,260	766,530
Provincial jurisdiction	2,806,750	6,626,560	7,067,700
	3,307,880	7,392,820	7,834,230

Estimated person-days lost as a result of employment injuries and illnesses (including industrial fatalities)* in 1977, 1978 and 1979:

	1977	1978	1979
Federal jurisdiction	790,000	857,000	Figures
Provincial jurisdiction	10,593,000	11,420,000	not yet
Total Canada	11,383,000	12,277,000	available

* — Temporary impairments, permanent impairments and fatalities are estimated at an average loss of 25 days per case.

P — Preliminary

Statistics Canada:

Estimates of person-days lost due to unemployment in (a) 1977 (b) 1978 (c) 1979 are as follows:

	(in millions of person-days) 1977	1978	1979
Unemployment	213.4	228.7	210.3

Estimates of person-days lost in (a) 1977 (b) 1978 (c) 1979 due to illness (including illnesses or accidents of non-industrial origin) are as follows:

	(in millions of person-days) 1977	1978	1979
Due to illness	56.4	61.6	61.0

It should be noted that the above data are necessarily rough estimates derived from the labour force survey. Since the survey was not designed to produce direct estimates of person-days of unemployment or losses due to illness during the course of a year, substantially higher or lower estimates could be produced using different estimation methods and assumptions.

Note: Estimates of person-days of work lost in 1977, 1978 and 1979 as a result of strikes and lockouts, and employment injuries and illnesses (including industrial fatalities). See reply by Labour Canada.

SOLICITOR GENERAL—NUMBER OF LAWYERS EMPLOYED

Question No. 618—**Mr. Howie:**

How many lawyers are employed on staff in the Department of the Solicitor General?

Hon. Bob Kaplan (Solicitor General): The Department of Justice has assigned lawyers to serve the Ministry of the Solicitor General as follows:

four —Ministry secretariat
two —National Parole Board
one —Royal Canadian Mounted Police
seven Total

NOTE: (1) The Correctional Service of Canada does not have lawyers on its staff. However, legal assistance, when required, is provided by lawyers seconded to the ministry secretariat.

(2) In addition to the one seconded lawyer shown above, the RCM Police have three members of the force who hold law degrees, are employed in positions requiring such a degree and have been called to the Bar.

STATISTICS CANADA

Question No. 734—**Mr. Nystrom:**

Was the responsibility for Statistics Canada transferred in June 1979 from the Department of Industry, Trade and Commerce to the Treasury Board and, if so (a) for what reason (b) who initiated such a move?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): (a) and (b) Responsibility for Statistics Canada was assigned to the President of the Trea-

sury Board by the governor in council on June 5, 1979, on the recommendation of the Prime Minister of the day. The Prime Minister is responsible for recommending to the Governor General the appointment of ministers and the allocation of portfolios and responsibilities among them according to his assessment of the most effective organization of the structure of government as a whole.

Question No. 735—**Mr. Nystrom:**

Is it the intention of the government to transfer the responsibility of Statistics Canada from Treaury Board to another more appropriate ministry?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Responsibility for Statistics Canada was assigned to the Minister of Supply and Services on June 13, 1980, by order in council PC 1980-1620. The Prime Minister's announcement on June 17 noted that "The President of the Treasury Board had retained temporary responsibility for Statistics Canada and had continued and tabled in April departmental studies of the agency which had been commenced by the previous government."

POST OFFICE—CURTAILED POSTAL SERVICE

Question No. 886—**Mr. Cossitt:**

1. Did Mr. J. H. Cottrell, A/Manager, operational services of the eastern district of the Ontario postal region, Post Office Department, write a letter to Mr. Don Warren, chairman of the Chaffey's Locks improvement committee on the subject of curtailed postal service and, if so (a) on what date (b) did the letter state in part "the reduction of service in this instance was in line with the eastern district policy on summer offices"?

2. Is there a different policy in the eastern district from that of other districts across Canada in regard to summer post offices and, if so, for what reason?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Yes. (a) 6 May 1980. (b) Yes.

2. No.

CANADIAN PENSION COMMISSION

Question No. 1,275—**Mr. Forrestall:**

1. What is the required (a) total membership (b) distribution by province of the Canadian Pension Commission?

2. What is the (a) name and date of appointment of each member (b) distribution by province of the commission?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

1. (a) The Pension Act provides that there shall be not less than eight commissioners, who shall be appointed by the governor in council who may, in his discretion, increase the number of commissioners to fourteen. In addition, the governor in council may, from time to time, appoint not more than ten additional ad hoc commissioners, for a period not in excess of one year. Commissioners, and ad hoc commissioners, on the expiry of their terms of office, are eligible for reappointment.

(b) There is no required distribution by province of the Canadian Pension Commission.

2. The attached list gives (a) the names and dates of appointments of each member of the commission, and (b) the province of residence at the time of their appointments.

2. (a) (b)

Name of Commissioner	Date of Appointment	Province of Residence on Appointment
Solomon, A. O. (Chairman)	25/5/70 (as commissioner) 06/4/71 (as chairman)	Ontario
Clarke, H. J. (Deputy chairman)	08/4/71 (as commissioner) 29/12/77 (as deputy chairman)	Ontario
Thompson, J. L.	01/4/66	New Brunswick
Paré, G. A. Y.	10/12/70	Québec
Legault, Carl	15/9/72	Ontario
Labrosse, Ray	25/9/72	Ontario
Boyce, Phoebe	10/10/72	Ontario
MacFarlane, M.	28/11/74	Ontario
McDonald, R. M.	28/11/74	Ontario
Flynn, P. J.	30/4/79	Ontario
Douglas, C.	26/5/80	Ontario
Hedger, G. S.	26/5/80	Ontario
Morison, J. B.	26/5/80	Ontario
Gadbois, Y.	16/6/80	Québec
Glibbery, C. L. (ad hoc)	16/10/72	British Columbia
Davey, E. L. (ad hoc)	15/2/73	Ontario
Blais, L. E. (ad hoc)	11/2/74	Québec
Garneau, J. C. A. (ad hoc)	01/8/76	Ontario
Ritchie, F. I. (ad hoc)	27/6/77	Québec
Lasalle, G. (ad hoc)	27/6/77	Québec
MacDonald, M. M. (ad hoc)	13/10/77	Alberta
Rivard, J. G. (ad hoc)	15/10/79	Québec
Mersereau, H. B. (ad hoc)	26/5/80	Ontario
Tremblay, J. R. (ad hoc)	26/5/80	Québec

[*English*]

Mr. Collenette: Madam Speaker, I undertook to get an answer to question number 970 by today. However, I have not as yet received it. I undertake to get the answer before the House adjourns.

I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 16 is acceptable to the government subject to the usual reservations pertaining to the confidentiality of certain parts of the information requested.

I would request that the other notices of motion for the production of papers be allowed to stand.

[*Translation*]

Madam Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 16 be deemed to have been adopted?

Some hon. Members: Agreed.

[*Text*]

STATISTICS CANADA—COMPUTER OPERATIONS

Motion No. 16—**Mr. Nystrom:**

That an order of the House do issue for copies of all correspondence, memoranda, notes, minutes of meetings and other communications, between June 1, 1979 and February 25, 1980, involving the President of the Treasury Board, his staff as well as the staff of the Treasury Board Secretariat on the one hand, and the Chief Statistician of Canada and the staff of Statistics Canada on the other hand, relating to the computer operations of Statistics Canada.

Motion agreed to.

[*Translation*]

Madam Speaker: Shall the remaining motions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TRANSPORTATION OF DANGEROUS GOODS ACT

MEASURE TO IMPROVE PUBLIC SAFETY

The House proceeded to the consideration of Bill C-18, an act to promote public safety in the transportation of dangerous goods, as reported (with amendments) from the Standing Committee on Transport.

Madam Speaker: As hon. members are aware, there are five motions standing on the order paper at the present stage of Bill C-18, an act to promote public safety in the transportation of dangerous goods. All the motions, in the opinion of the Chair, seem to be procedurally acceptable and it is my intention to propose them to the House separately.

Mr. Ray Skelly (Comox-Powell River) moved:

Transportation of Dangerous Goods

Motion No. 1

That Bill C-18, an act to promote public safety in the transportation of dangerous goods, be amended in clause 3 by striking out lines 30 to 38 at page 3 and substituting the following therefor:

"this act applies to all vessels of Canadian or foreign registry operating within the Canadian 200-mile economic zone on the east and west coasts".

He said: Madam Speaker, my brief remarks on this amendment stem from the great concern I have about the weaknesses in this bill. It seems to be drafted in such a way as to present a great many difficulties, not the least of which is that dangerous products transported by sea on the east and west coasts of Canada seem not to be covered by this legislation. In committee we dealt at length with this, and I would like to read into the record of the House what the government proposes in this situation.

● (1520)

In clause 3(5) the government proposes that this legislation not apply to any transporting of dangerous goods in bulk in ships or vessels that is governed by or under the Canada Shipping Act. Subclause (6) says that for the purposes of subclause (5) "in bulk" would mean confined only by the permanent structures of a ship or vessel, without intermediate containment or packaging. As far as we are concerned this eliminates a whole class of transportation in which dangerous goods are being carried, and as a rationale for doing this the government put forward the idea that it is adequately covered in the Canada Shipping Act. I submit that it is not adequately covered in the Canada Shipping Act. I hope we will be able to demonstrate that, but before we do that I point out that Bill C-25 with regard to the same thing—I bring this to the attention of the Conservatives in the House today, and I hope they will be prepared to support my amendments—was silent on this issue. That silence would have allowed the act to pertain to the transporting of dangerous goods on the west coast of Canada and on its east coast under these circumstances. The Conservative bill recognized this problem, and the Conservatives were willing to deal with it, but the Liberal bill presently before us excludes this area of very severe concern.

I would like to deal with some examples regarding the Canada Shipping Act, which the government feels is adequate to deal with dangerous cargo. If we go back to 1917 and the *Mont Blanc* in the Halifax harbour, there was a dangerous cargo involved, and its impact was substantial. There are all kinds of examples of this today. We are concerned about preventing loss of life and massive damage which could be caused by commodities carried in large cargoes. The government feels the Canada Shipping Act is adequate. However, a series of sections allow tremendous discretion to the master of a vessel.

The second thing is that if dangerous goods within a vessel are improperly handled, there is a maximum penalty of $1,500. I suggest that that is ludicrous and that $1,500 in the present circumstances is just unthinkable. We have argued vehemently that fines of $50,000 and $100,000 are nominal when we look at such things as the Mississauga accident and a variety of other potential accidents. Clearly, the Canada Shipping Act is just a token consideration. It is inadequate. I urge

the government to support this amendment, and I urge the Conservatives also because of a precedent in their bill.

Other members of the government have made a considerable issue of the suggestion that penalties and liabilities imposed are adequate. We have the maritime pollution claims fund, and they claim that as far as oil tankers in our waters are concerned the fund is sufficient. The fund is put up by the Government of Canada through taxing the people who transport dangerous goods, such as oil, up and down the coasts. Hon. members opposite point to a multimillion dollar fund. There are a couple of points I would like to make in this regard. That fund is inadequate. We want inspection procedures, and we want penalties which would allow for prevention of accidents. There are not too many people who live on the west coast or on the east coast who are interested in liability or funds to meet liabilities after spills occur.

What we are interested in is prevention, and on that basis I urge the government to support the amendment we have put forward and to allow the transportation of dangerous goods legislation, as weak as it is, to apply to marine transportation and bulk cargoes. There should be a stiffer regime of penalties and more thorough and rigorous inspection procedures.

The government has said that in the liability sphere there is adequate protection for the people of Canada. The government suggests that if there is an accident and a ship blows up or releases a tremendous amount of chlorine gas in some small community on the west coast or the east coast of this country, the liability provisions provided in the Canada Shipping Act are adequate. I will just refer to section 647 in part IV where the maximum liability should an accident occur is 3,100 gold francs for each ton of a ship's tonnage. When we come right down to it, that is $83.50. For a ton of chlorine gas released in a small community—in many communities it is right beside the dock—or for a ton of nitroglycerin or any other dangerous product that amount of $83.50 will not go very far in cleaning up damage or dealing with loss of life or the disruption which would occur.

I suggest that the provision for liability is inadequate. What we are aiming at is prevention, and beyond prevention we are looking at some very weak provisions for liability and for compensating those who will suffer damage. I suggest to the government and to the Conservative members in this House that we require provisions for more stringent penalties for violation and a more rigorous application of inspection procedures.

There is one other feature in this amendment, and that is that the law should apply out to the 200-mile limit. It should go beyond Canada's immediate jurisdiction and its territorial waters. I know that this has been challenged. The United States just recently reiterated that it has no intention of complying with a Canadian law which would impose restrictions on free navigation, as it has been put, or innocent passage of merchant vessels going about their business in the 200-mile limit. The Americans have even extended that statement to suggest that they feel that innocent passage of merchant vessels going about their business, even within territorial waters, would not respond to Canadian law or any other international law in the area.

I think it is very dangerous to allow such a situation to exist. To quote an example, not too long ago a tug was hauling a barge from Alaska to the lower 48 states. This would have been about May 9, 1980. It was just recently. The barge was carrying a number of barrels containing some very dangerous chemicals. There was a storm and those barrels went overboard. They were clearly beyond our immediate territorial waters, but they were within the 200-mile limit. A barrel washed up onto Canadian territory. What was happening was that an American vessel was carrying extremely dangerous goods in an intermediate container. It was loaded and handled in an improper manner. The end result was that it washed up on a beach in Canada where children could have come along, kicked the barrel open and been killed. The result could have been many other dangerous scenarios.

• (1530)

I would suggest to the government, and again to the many Tory members, especially the ones who come from coastal ridings where this is a possibility, that they have an obligation to vote for this amendment because we have to extend jurisdiction into that economic zone to control the transportation of some of these dangerous goods that are going to affect our citizens.

I would just like to elaborate a little more on this particular example because the Americans, when they were aware that those dangerous goods were floating free in the ocean and in danger of washing up in Canada and creating a danger to Canadian citizens, did not bother notifying Canada or assisting in the search for those goods. We became involved in a token search and, if you reflect back a little further, we sent a bill to the Russians for doing exactly the same thing and insisted on payment for a very costly search. I think in this particular incident we should have conducted a thorough search, and should have submitted a bill for that search to the United States, with a very stern reprimand for acting in a very negligent manner on this issue. There is a vacuum in the law here, Mr. Speaker. We should have a law that allows us to exert jurisdiction in this matter over the 200-mile limit. We have set a precedent for it.

An hon. Member: We have the Secretary of State for External Affairs (Mr. MacGuigan) here.

Mr. Skelly: Perhaps the Secretary of State for External Affairs (Mr. MacGuigan) might be concerned about this issue because it does relate to our relations with the United States. Nevertheless, Mr. Speaker, the problem in front of us is what we have to do to apply Canadian jurisdiction in this area. My amendment, I am certain, if accepted by the government and some of the Tories in the same area, would fill this vacuum. In the Arctic Waters Pollution Prevention Act we have simply said that vessels that are going to be working within Arctic waters, even though they are not technically within our territorial waters, are going to submit a declaration that goods are

carried in a manner which conforms to the regulations. They are going to submit, if necessary, to an inspection before those vessels travel in those waters. I suggest to the government that the same thing should occur here.

Many vessels have been built to carry particular products. Once cleared and the passage worked out, there would be no problem. What we are looking at is the rather ad hoc itinerant traffic which carries dangerous drums of chemicals in an improper manner and proceeds to a 200-mile limit where we might want to have a declaration stating how those goods are to be carried and how to protect Canadian citizens from being harmed by these dangerous goods. We might want to inspect those vessels, or least have the opportunity to do so. I would submit to the government that this amendment provides that mechanism.

In summary, Mr. Speaker, I think that the Conservatives, by leaving their bill silent on this issue left the opportunity open under section 28 for the minister to make regulations dealing with this. It provided an opportunity, should we need it, to fill this vacuum. The Liberal bill clearly does not provide an opportunity to move into this area if it is demonstrated to be necessary. Their plea that the Canada Shipping Act and maritime conventions fill the bill is clearly inadequate, and I would ask them to withdraw that. I submit that $1,500 in this day and age is a completely inadequate penalty. The liability provisions are inadequate when we look at some of the things that are going on around the world, the enormous costs of clean-up and repair of damages. So what we need is a stronger regime of penalties and a more rigorous inspection.

In the final analysis, what we have off the west coast of Canada is the example of the American tug dropping barrels into the sea. We have the example of tankers of chlorine lying at the bottom of Malaspina channel which could rise and create a cloud of chlorine gas around certain areas. There are numerous members of the House in both parties who have said they are opposed to tanker traffic and the tremendous danger it could create going up and down the coast. What I would ask them today is to stand up and be counted in supporting this amendment and at least to keep faith with many of the election promises they have made.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we submit that the transportation of dangerous goods involved in ships should remain subject to the Canada Shipping Act regulations. The regulation of bulk cargoes which fall within the specific or general connotation of dangerous goods involves matters of ship design, construction and operation. In the case of crude oil and refined petroleum, tankers are specially designed, taking into account the dangerous nature of cargoes carried as it affects the requirements for hull, machinery, and additional safety equipment.

The Intergovernmental Maritime Consultative Organization establishes the code for the construction of equipment of ships carrying liquefied gases in bulk. The same organization has established a code for the construction and equipment of ships carrying dangerous bulk chemicals. In other words, the ship itself is the container. In the case of bulk cargoes, by far the majority are carried in vessels for which the hulls are of a particular design to load, transport and discharge such cargoes under safe conditions, including special consideration of matters such as stability, ventilation, and measures against inroads of the sea. All of the above require the full range of disciplines, that is, naval architecture, marine engineering and nautical sciences which are required to make and implement regulations which come under the Canada Shipping Act dealing with the safe design, construction and operation of any ship.

In all of the above cases, vessels are required to carry certificates of inspection, certificates of fitness, and international convention certificates which are issued under the Canada Shipping Act. Any vessels in Canadian territorial waters are already subject to Canadian legislation. Canadian vessels anywhere in the world are subject to Canadian legislation, and that is under the Canada Shipping Act in the case of bulk shipping.

The second effect that this amendment would have is that it would be a motion which would be in discord with the Territorial Seas and Fishing Zones Act which establishes the limits of Canadian jurisdiction over the seas to something like 12 miles. This would also be declared ultra vires by a court as trying to impose Canadian jurisdiction over waters which are not within the scope of this bill. Therefore it is the view of the government that this motion should be opposed.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, what the hon. member from the NDP has indicated is that there are certain limitations to this bill which possibly can be governed by section 28 of the act and also by the regulations. But I think that is one of the major weaknesses of the bill in that, to a large extent, we are looking to the regulations to handle the requirements of the act. This is an umbrella bill. It does not attend to the problems in itself, which are presented by the movement of dangerous goods.

I raise this point because many residents in my riding of Etobicoke Centre have become very concerned about the movement of dangerous goods in the past year, particularly following the disaster in Mississauga. May I remind hon. members that the disaster occurred five to seven minutes west of the borough of Etobicoke where there are many residents who would have been affected by an accident of that kind. Of even greater concern is that last year again there was considerable discussion of the plans of CP Rail to add a third rail line in Etobicoke, which in itself would allow for increased freight movement and increased speed of such freight movement. Some of the houses directly affected by this third rail are only 50 feet from the proposed line.

● (1540)

In January there was a hearing of the Canadian Transport Commission on this whole matter. In the opinion of the residents most affected, it was a very unsatisfactory hearing. They applied to the department, as well as the Department of Justice, for counsel to be supported by the public purse in order to present their case, which is a very broad case affecting

many, many parts of the country, in particular many parts of the city of Toronto. This was turned down, and at very short notice the residents were required to present their own case to the CTC. They felt the results were not satisfactory, and they are anxiously awaiting the results of that hearing before any further action will be taken.

I wish to address the question of regulations this afternoon because, unfortunately, as has been the case in many pieces of legislation brought forward by the government opposite, much government in this country is by regulation now. Those regulations, as they apply to this act, will make or break the intent of the act. On a number of occasions I have urged the minister to consult widely on the form and the content of these regulations. I have urged him to educate himself on the practice of shippers and the concerns of residents most directly affected.

In particular I asked the minister if he would be interested in meeting with representatives of the Metropolitan Toronto Rail Action Committee. I think the committee now is composed of over 15 ratepayers' associations in the metropolitan Toronto area that have vital concerns about the movement of rail transport through residential areas of metro Toronto. To date the minister has not seen fit to meet with these representatives.

Today I want to put on record concerns expressed to me at ratepayers' association meetings. Freight moving from Sarnia to points east and north of metropolitan Toronto moves right through residential areas of metropolitan Toronto such as Etobicoke, Parkdale, Rosedale, Don Valley West, East York, and into parts of Scarborough.

Recently I mentioned in the House that CP Rail is soliciting business out of Michigan to move goods to the New England States through residential parts of metropolitan Toronto. There is movement back and forth in the delivery of dangerous goods in the Toronto area, over to Scarborough and back to points west of Scarborough. They do not feel this increased movement of dangerous goods is necessary. Finally, dangerous chemicals are shipped from Sarnia, through metroplitan Toronto to Montreal, and similar types of chemicals are shipped from Montreal to Toronto and points west of Toronto. The people in M-TRAC feel it is worth considering whether there can be some exchange of these chemicals. As I understand it, basically they are similar chemicals with different trade or product names.

These are some of the concerns which have been expressed. I believe they must be dealt with in the regulations. I appreciate some of these things must be dealt with by regulation, and I am sorry others are not dealt with directly in the act. As I have said, on four occasions I have implored the minister to meet with representatives of M-TRAC before these regulations are brought down. I have done this through personal conversation, by letter, by a motion under Standing Order 43, and also recently with a question in the House. By consulting personally, by hearing first hand the concerns, and by attending a meeting of the affected residents, I am sure the minister will have a much better understanding of the direction which the people directly affected in residential areas feel the regulations should take.

My final point concerns the whole area of inspection and the administration of the regulations under the act. The inspector plays a very delicate role, and the minister must give a very delicate set of directions to the inspector. On the one hand, he must be aware of and concerned for the interests of the shippers so that the economic costs of the administration of the act do not outweigh the benefits achieved. On the other hand, he must not be totally concerned with the concerns of the shippers because it is the people living in the areas that are so close who are directly affected. My riding of Etobicoke Centre is affected in two ways. It is affected by the CP Rail line going through the centre of Etobicoke and also the major highway running through the centre of Etobicoke. I ask the minister to take great care in the direction he gives to the inspectors in order that the administration of the act will not favour unduly the interests of one side or the other affected by the regulations concerned.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to intervene very briefly just to place another view of the amendment in front of us. The remarks of the parliamentary secretary are shared largely by the official opposition, but I want to extend the parameters touched upon by the mover of the amendment. This brings the whole question of marine transport somewhat into focus.

I think it is fair to say that in the course of discussing this matter in committee there was an interjection by the hon. member for Cochrane (Mr. Penner) which I thought had a lot of validity. It caused some extensive discussion with respect to the attitude of this House to sea-marine matters in general. I think the proper or the best way to dispose of the concerns raised by members of the New Democratic Party in this respect will be realized when the chamber gets on with the work of dealing with books 3, 4, and 5 of the Maritime Code. We have books 1 and 2, with the exception of the coastal shipping provisions.

The hope of all of us in this chamber—certainly those members on this side—is that when the House resumes in the fall or at an early date into the new session the Minister of Transport (Mr. Pepin) will move himself, if that is at all possible, to put before the chamber the provisions contained in books 3, 4 and 5 of the new Maritime Code. Having said that and reiterated that, it is only when we have had a discussion in this chamber and in committee with the industry and community of interests involved that we will begin to address ourselves to the major and significant outstanding problem in marine transportation in this country.

● (1550)

With that caveat, and with the understanding given to us by the parliamentary secretary and others during the course of the discussion of the amendment in committee, I would indicate to the parliamentary secretary that we are prepared to support the position of the government so that we might not mislead anybody into believing that Bill C-18 contained provi-

sions that, in our view, are sufficient to meet all of the concerns which are very broad and obviously go beyond the requirements of the bill.

Mr. Les Benjamin (Regina West): Mr. Speaker, I just want to make a last ditch appeal to the parliamentary secretary. I wish the Secretary of State for External Affairs (Mr. MacGuigan) would not leave just yet since this is something he will end up having to deal with. The monkey will be on his back. I see he has left anyway.

The limit of Canadian jurisdiction—12 miles or 200 miles—under our economic and fisheries zones, begs the question. The reasons given by the parliamentary secretary for the government not wishing to accept this amendment border on unreasoning stubbornness. If, as, and when the Canada Shipping Act is amended, it will provide more adequate law covering the transportation of dangerous goods in bulk in vessels up to 200 miles out to sea. That would be fine, but we are not going to get such a provision tomorrow.

At the moment the situation is that a rust bucket flying a Panamanian or Roumanian flag and carrying a $1 million cargo on which it can collect up to $300,000 in freight charges, say, might be liable to a fine of $1,500 under the Canada Shipping Act. That is surely sufficient evidence of the lack of provisions under that act.

I am not optimistic that there will be any speedy amendments to the Canada Shipping Act which would bring its provisions and its jurisdiction up to the standards of the transportation of dangerous goods act. We might get some amendments every year or two or three years.

I would say to my good friend, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), that I am even less optimistic about any kind of speedy decisions on all aspects of the Maritime Code. They will take another two or three years.

Surely, Mr. Speaker, as and when the government amends the Canada Shipping Act and as and when the Maritime Code is revised, they could then include in appropriate legislation the repeal of this provision that we are proposing in the transportation of dangerous goods act.

My point is that the Canada Shipping Act is inadequate. The Maritime Code is not in place. Until such time as those two measures are in place and are sufficient, surely we need some kind of measure that covers these dangerous bulk commodities in vessels up to 200 miles out to sea, in our economic and fisheries zones.

When the government brings in amendments to the Canada Shipping Act it could repeal this particular amendment, if it were accepted today. That may be a year or two years from now. This party fails to understand the government's unwillingness to make a provision to see us through this interim period at least. I would hope that the officials in the House who are here to provide assistance to the House and to the parliamentary secretary would quickly send a note to him saying, "With those kinds of things that we have here in the future about the Canada Shipping Act and the Maritime Code, this amendment could be accepted until such time as we do the other pieces of legislation."

This is just too big a problem, with the possibility of a disaster, because of the transportation of a dangerous commodity in bulk in some rust bucket 100 miles off our coast on which we can impose only a $1,500 fine. It is not as if we have not had problems in other instances, whether with the British government, the Russian government or whatever. We do not have anything in place that is of any consequence and that would serve as an incentive for maritime shippers to do a better job with the transportation of dangerous goods in bulk or that would deter them from taking any chances. All it is going to cost them is a $1,500 fine out of a freight charge of $100,000 or more. They will take their chances and pay the $1,500 fine.

That is all we are asking for, Mr. Speaker. We are not suggesting this would be the be all and end all forever. Until the Canada Shipping Act and the Maritime Code are amended, however, we do not have anything to cover this kind of situation. I hope the parliamentary secretary will reconsider the government's position on the amendment and will accept it.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): The motion is lost on division.

Motion No. 1 (Mr. Skelly) negatived.

The Acting Speaker (Mr. Blaker): As the Speaker indicated earlier this afternoon the motions are being taken separately. I will now move to the next motion.

Mr. Les Benjamin (Regina West) moved:

Transportation of Dangerous Goods

Motion No. 2

That Bill C-18, an act to promote public safety in the transportation of dangerous goods, be amended by deleting clause 10 at page 6 and substituting the following therefor:

"10. It is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused whether or not the employee or agent is identified or has been prosecuted for the offence."

He said: Mr. Speaker, this amendment endeavours to do away with what has happened too many times in various areas of the transportation industry in Canada. Where there is wind and where there has been a mishap, a spill or an accident, too often the employee on the ground or the employee next to it, is taken out of service, is given demerit marks, is subpoenaed to a coroner's inquest or is charged with manslaughter or a lesser offence. This amendment would make companies responsible for the actions of their employees. The way the bill reads at the moment it could encourage a sort of fancy footwork on the part of corporate lawyers and officers, trying to fit corporate activities into definitions of reasonable.

In particular, clause 10 invites corporations to avoid penalty by pointing fingers at specific employees. We contend that the only way to ensure compliance with the act and its regulations in the corporate context is to impress upon corporate directors, officers and officials the fact that the corporation will be liable for the actions of its employees. If that is law, then surely one can be more reasonably confident that the corporation will be sure to give proper instructions and see to the carrying out of those instructions by its employees. I do not suggest that if an employee was wilfully negligent, the corporation would not be absolved. I submit that if through a court, hearing or inquiry, the corporation can prove that it carried out proper instructions, continuing instructions, supervision, and seeing to it that the employees followed those instructions and implemented them, then it is not to blame. However, if an employee still wilfully, criminally and deliberately disobeyed those instructions, then that employee would still be liable in those kinds of circumstances.

● (1600)

I would like to cite an example from my own experience during my many years on the railroad. It involves a section foreman who was awarded the prize by the company for three years in a row for maintaining the best section in the whole division. When there was a mishap and eight cars were in the ditch and a locomotive was upside down, it was felt that a broken rail was the cause. Who received the demerit marks, was taken out of service and lost pay? It was that section foreman. He had carried out all the procedures available to him which he had been instructed to follow by the company. But though the company had reduced its maintenance procedures, lengthened the number of miles of track that he was to patrol and reduced his crew from four men to three men to two men, he still had to inspect the track adequately. Of course, he was just not able to do the job even though he worked after hours and did not put in any claims for overtime. This section foreman was the one who received demerit marks and was taken out of service.

None of the company officers or the corporation itself was given a slap on the wrist for what was obviously inadequate maintenance, provision of personnel, equipment and worn out rails. The employee was the one who got it. Surely our amendment covers that kind of situation. If an employee wilfully, deliberately and negligently disobeys the instructions, training and use of the equipment and material provided to him to provide for the safe transportation of dangerous goods, he is still individually liable. We are trying to plug the availability to officers, and corporate lawyers on behalf of corporations of the move which leaves the blame placed upon the shoulders of one or more individual employees.

It is a collective responsibility, and the first part of the responsibility belongs to the corporation concerned. We hope that the government has reconsidered its position since we discussed this matter in committee and that it is now prepared to accept this amendment.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to point out that this bill is not only designed for the railroads.

Mr. Benjamin: I was using the railroads as an example.

Mr. Bockstael: The hon. member for Regina West (Mr. Benjamin) used the example of the railroads. This bill applies to all modes of transportation, all people who contract or are engaged in that work. The deletion set out in motion No. 2 is a very serious one since it removes any possible defence on the part of any employer for the employees' actions and would make the employer liable even if he could show that he exercised reasonable care. In other words, he is presumed to be guilty without proof or identification. In other words, it changes the common law doctrine which absolves an employer for liability for the actions of its employees outside the course of their normal duties.

This amendment would conceivably encourage carelessness, negligence, recklessness and subvert the legislative or regulatory controls normally applicable to employees. The government recommends that this motion be opposed.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): The motion is negatived on division.

Motion No. 2 (Mr. Benjamin) negatived on division.

Mr. Les Benjamin (Regina West) moved:

Motion No. 3

That Bill C-18, an act to promote public safety in the transportation of dangerous goods, be amended in clause 17 by striking out line 23 at page 13 and substituting the following therefor:

"sion or escape and shall, as soon as possible in the circumstances, restore the natural environment as nearly as practicable to its previous condition."

He said: Mr. Speaker, the motion we are proposing here would require those in charge of dangerous goods which were involved in an accident during their transportation to restore the natural environment, as nearly as practicable, to its previous condition following that accident. I appreciate that the government is up tight because it does not want matters of the environment in this bill to the extent where it transgresses other environmental laws, either federal, provincial or municipal. We appreciate that fact.

We believe, from what legal advice we were able to obtain without fee, that anywhere and everywhere we used the word "environment" in this legislation or in our amendment, it applies only as it relates to or is as the result of the transportation of dangerous goods, and nothing else. This motion applies to the environment only with regard to incidental transportation, so as not to invade what might otherwise be of provincial jurisdiction or municipal jurisdiction.

There could be room for the constitutional argument that provincial environment legislation does not apply to railway accidents. We submit that there is room because that is an area of federal jurisdiction. This amendment would fill such a gap. There could be an equivalent justifiable argument with regard to interprovincial trucking. Each province may rule upon rates, conditions of transport and so on, and even agree upon these subjects interprovincially. In other words, the federal government has allowed the provinces to have most of the say in matters of interprovincial trucking.

We submit that in the transportation of dangerous goods interprovincially and where one province's laws and regulations are lax and weak compared to its neighbouring province and there is a spill which harms the environment, this law would apply. It would apply with regard to the process of cleaning up and fixing up the local environment after the spill, in other words, restoring it to its original state as much as is practicable. That is all we are asking. This restoration would come after, and sometimes long after, the emergency measures to remedy dangerous conditions have been completed. Therefore, it would not interfere with any immediate or current emergency measures. It has been suggested in committee that this amendment would interfere with any kind of emergency action being taken immediately upon an accident. We submit that that is not the case. I want also to remind the House that our point of view of this coincides with what has been recommended by the Canadian Environmental Law Association.

● (1610)

I am not a lawyer, and I confess that we have relied to a great degree on the opinion of those eminent legal people who have specialized in law as it relates to the environment. Their work in fact recognizes that any amendments to this legislation in terms of the environment must be restricted only to where it pertains to the transportation of dangerous goods and nothing beyond that. Federal or provincial environment laws would take place, take effect, or take over anything beyond that harms the environment as it relates to the transportation of dangerous goods.

We think the government worries overly much on this one, that the amendment is restrictive enough, that it would not interfere with provincial autonomy or jurisdiction. In fact it could fill some gaps probably welcomed by many provinces. I understand the provinces have been most co-operative in discussions with the government on joint action in implementing this legislation. We feel that the amendment is narrow enough to apply only to the environment being restored as a result of a spill or an accident due to the transportation of dangerous goods, and nothing beyond that.

We hope that the government has reconsidered and thought about the arguments that we have put forward, and has had a recommendation from the officials that this amendment will be acceptable.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the clause in its original form was meant to handle emergency measures consistent with basic public safety. This would hold any person having the responsibility to report or having "the charge, management or control of goods" to restore the natural environment after an accident even if that person is in no way responsible for the emission or discharge. This motion interferes with the provinces' control. It would conflict with environmental protection legislation being enacted in the provinces. I repeat, a person having the charge, management or control of dangerous goods may not have caused or even contributed to the causation of the discharge and thus should not be held responsible for this activity.

The actions needed for restoration of the environment might be completely beyond the resources of the person burdened by this proposed responsibility. We recommend that this motion be opposed.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): The question is on motion No. 3. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 3 (Mr. Benjamin) negatived.

Mr. Les Benjamin (Regina West) moved:

Motion No. 4

That Bill C-18, an act to promote public safety in the transportation of dangerous goods, be amended in clause 20 by striking out lines 6 to 8 at page 16 and substituting the following therefor:

"danger to the health or safety of the public or damage or danger to property or the environment, the minister may direct a public inquiry to be made in the manner directed".

He said: Mr. Speaker, it is a long struggle. I want to say at the outset, and I wanted to say it earlier, that members from all parties in the House and in the committee along with officials in the department have done a lot of work on this bill so I do not want in any way to denigrate the great efforts made by members of the committee, the parliamentary secretary and the officials. But again we have an amendment that we feel improves and strengthens the legislation. All parties are agreed that we want the legislation. I do not think there is any disagreement that wherever we can improve or strengthen it, all parties should do so.

Our motion No. 4, would add danger or damage to the environment to the list of reasons for calling an inquiry into the spill of dangerous goods during transportation. It would also provide for public hearings. Again, we have been very careful to word our amendment to make it as narrow as possible so that there is no way that it could go beyond this legislation. There is no way it could interfere with, contravene or in any other way injure the interests of a province which has jurisdiction, or in any way encroach upon federal or provincial environmental laws that apply to everything else other than the transportation of dangerous goods. We have tried to be exceedingly careful in the wording or our amendment.

I think there was general consensus and agreement by all sides in the House concerning the validity and desirability of providing for public hearings. I am confident that there is no argument on that aspect of our amendment.

The Canadian Railway Labour Association in its submissions to the committee and to the government has called for public hearings. The committee accepted an amendment of ours which we appreciated. It requires the Minister of Transport (Mr. Pepin) to publish all inquiry reports instead of being able to keep them confidential. We appreciate the amendment that was accepted in the committee was useful, and we appreciate it being accepted by the government and all other members of the committee. But this motion No. 4 would extend public participation and information a little bit further, including environment as the result—and I repeat—of an accident or a spill as a result of the transportation of dangerous goods. Therefore, it would include environment only in that narrow context as a reason to hold an inquiry as recommended not only by the Canadian Railway Labour Association but the Canadian Environmental Law Associaton.

I believe our motion says "The minister may". It does not say "He shall". It says "The minister may direct a public inquiry." He may direct an inquiry into other aspects than are in the bill. We are only adding the aspect of environment where the minister may direct an inquiry. That may be immediately upon, close to, subsequent to, or some time after a mishap in the transportation of dangerous goods as it affects the environment.

● (1620)

The example cited by my colleague the hon. member for Comox-Powell River (Mr. Skelly) of tank cars of chlorine gas lying at the bottom of an inlet may not produce effects on the environment that can be seen until several years after the mishap. That occurred during the transportation of dangerous goods. If those tank cars rust, as they will, the chlorine gas will escape. Some community may be affected and therefore evacuated. Surely it is not beyond good reason and good sense to have a law whereby the minister may cause a public inquiry to be held as a result of the aftermath of that mishap and the subsequent leakage as it affects the environment. Even if it does not affect any people, it will certainly affect the environment. The minister and his officials may use their own good judgment, and I am assuming the word "good", in all cases. Surely it is not unreasonable to have that in the law.

As the bill reads now, if Mississauga or MacGregor had happened in some isolated area where there was no immediate danger to life or property, the minister could not call an inquiry. Had those mishaps occurred in an isolated area and the only damage was to the environment, and not to persons or property, nothing else would have happened. The stuff would just lie around. Who would inquire into or have the responsibility when it only affects the environment?

This amendment is deliberately narrow enough for the government to accept easily that it be incorporated into the law. I am perfectly prepared to trust and rely upon this and subsequent ministers of transport to use their good sense and judgment as to whether to call a public inquiry as it affects the danger to life, property or the environment.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we are prepared to accept insertion of the word "public" before inquiry. This we have agreed upon. We cannot accept insertion of the words "or the environment". The reason is that it falls within the purview of either or both the federal or provincial ministers of the environment who already hold those powers of inquiry. We hold to

the original statement that if the members of the New Democratic Party are prepared to submit an amendment, we will approve insertion of the word "public", but we refuse insertion of the words "or the environment".

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my colleagues who have been working on this bill would certainly prefer the amendment put before the House in the name of the hon. member for Regina West (Mr. Benjamin). However, we recognize that there are times in this place when, if you cannot get all you are asking for, it might be a good idea to take part of it. Since the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) has indicated that the government would accept this amendment if the words "or the environment" were deleted, we are prepared to go along with that. That does not mean any change of conviction on our part. We think those words ought to be in there, but it is better to get something than nothing. Therefore, I move, seconded by the hon. member for Winnipeg-St. James (Mr. Keeper):

That motion No. 4 be amended by deleting therefrom the following words: "or the environment"

I hope my handwriting is legible, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Amendment (Mr. Knowles) agreed to.

Motion No. 4 (Mr. Benjamin), as amended, agreed to.

Mr. Les Benjamin (Regina West) moved:

Motion No. 5

That Bill C-18, an act to promote public safety in the transportation of dangerous goods, be amended by deleting the long title and substituting the following therefor:

"An act to promote public safety and the protection of the environment in the transportation of dangerous goods".

He said: Again, Mr. Speaker, in the narrow context of the law as it applies to the transportation of dangerous goods, we are moving an amendment that would include the word "environment" in the title of the bill. I remind hon. members that this is the third version of the dangerous goods bill. It is bill No. 3, the grandson bill on the transportation of dangerous goods.

The wording that we are proposing in the long title is "an act to promote public safety and the protection of the environment in the transportation of dangerous goods". We are adding "and the protection of the environment". It was in the title of Bill C-17 proposed in 1978 by the previous Liberal administration. I do not understand the hang-up about having it in the grandson bill on transportation of dangerous goods, Bill C-18.

To repeat, it applies only to environment coincidental to the transportation of dangerous goods so as not to invade provincial jurisdiction or other federal laws relating to the environment. The argument could and in fact does apply that provincial environmental legislation does not cover railway, international marine, interprovincial trucking, interprovincial or international airline transportation of dangerous goods. The law of any one province can apply to that. I am no lawyer, but even a dummy like me knows that much about it.

To counter some of the arguments I expect from the parliamentary secretary, the bill already invades provincial jurisdiction over trucking within a province for regulation purposes. It already invades provincial jurisdiction. I understand that by agreement there have been magnificent negotiations and discussions between the provinces and the federal government regarding this legislation and that the provinces are anxious to co-operate so there will be no duplication. They accept invasion by regulation into their jurisdiction when it comes to trucking. If the federal government is so concerned about other levels of government, why not write in a statutory right of compensation for municipal and provincial police forces and fire departments for emergency measures imposed on those levels of government? It seems to me that the federal authority is trying to have it both ways.

● (1630)

If a Mississauga or a MacGregor were to happen in an isolated area where, again, there was no immediate danger to life or property, the act would not apply. For example, it would not apply in the case of spills on railway property unless protection of the environment is included. The objective should be for the federal government and the provinces to work out a comprehensive program to deal with dangerous goods, from the cradle to the grave, so to speak. But we believe the inclusion of the words in the long title "and the protection of the environment" is appropriate and fits in with actions both the federal government and the provinces will be taking to protect the environment in relation to the transportation of dangerous goods. Surely the proper place for this terminology is in the title to the bill.

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I should like to make a few comments at this stage. I shall be brief, but I hope the parliamentary secretary will pay attention to what I have to say.

I know there have been four attempts in recent years to pass legislation of this nature. It is extremely important, therefore, that we should get the bill through as quickly as possible because we all have an interest in improving the situation with regard to the transportation of dangerous goods. This desire is highlighted by the Mississauga train derailment last year. One result of that accident was an increased public awareness of the need to establish rules governing the transportation of dangerous goods.

The House should remember that while accidents on the scale of Mississauga do not happen every day, thank goodness, other accidents with very serious ramifications do occur frequently. I saw one such accident just the other night while driving from Ottawa to Kingston—and I might say that that in itself is a hazardous occupation! Just the other night, though, I was confronted at first hand with the result of a

transport truck accident involving the spillage of powdered caustic soda, a very corrosive substance. The driver of the truck was badly burned by the soda, and members of the emergency crew who was there to help out were also burned. This came about because the truck driver and the others closely involved were not immediately washed down—it was not known for some time whether or not water would aggravate the situation.

While we can make provision for special handling, packaging and labelling of dangerous goods, we must also see to it that the various emergency services receive adequate training to enable them to deal with the results of accidents involving such cargoes. I have in mind members of police, fire and ambulance services.

In the past several months a great deal of concern has been expressed throughout eastern Ontario with regard to shipments of radioactive nuclear waste. The parliamentary secretary will be aware of this. Much of the public awareness has come about as a result of publication of an excellent series of articles on this subject in *The Kingston Whig-Standard* highlighting the dangers which are inherent in shipping radioactive nuclear waste. In this case spent reactor fuel which has become highly radioactive after use at Chalk River is shipped some 1,100 miles to a United States refining centre in South Carolina. The route of these shipments passes through much of eastern Ontario, a section of the country which is fairly thickly populated.

I know it was explained to us in committee that when this material is shipped, a security plan is in effect and that the police are made aware of its movement. But who else is made aware of its movement? Are other emergency services, such as ambulance crews, made aware of it? It would appear that apart from the police none of the emergency personnel such as fire and ambulance people are told. And even if they were to be informed, do they have adequate training and knowledge to enable them to deal at a moment's notice with the kind of accident which might take place? It would appear not.

I would draw the attention of the parliamentary secretary to the statement made in committee by Mr. Beare of the Atomic Energy Control Board. According to him, the only training offered to emergency officials who might be called upon to deal with a nuclear accident is a one-week once-a-year course at Chalk River. Mr. Beare suggested that the AECB and the Department of Transport might work together to provide special courses for fire and other emergency officials who could be called upon to deal with accidents. I might add that at the present time similar joint courses between the two agencies are being held to train mine inspectors. This is an example of the way in which we might go about making training available to officials who might have to deal with a nuclear accident.

I believe it is incumbent upon the minister to proceed along the lines of this suggestion and apply it across the board to those who might have to deal with an accident resulting from the transportation of dangerous goods. Far too few of them receive adequate training at present to enable them to do so, as was certainly exemplified in the case of the accident I witnessed the other night.

There is one other matter I should like to draw to the attention of the parliamentary secretary. A study done recently by a consumer group in the United States has shown that the shipper who has the contract to take the nuclear waste from Chalk River to the United States plant in South Carolina had 152 accidents while moving nuclear material in the period between 1974 and 1978. The shippers of that company had these accidents during that period. Yet officials in AECL who give out the contracts claim that the company's past record is very good. So on one hand we have particulars as to the accident rate of that company or its shippers in the United States while on the other, here in Canada, AECL is saying they have an excellent record. I am worried that the agencies responsible for regulating the shipment of nuclear material are not as impartial as they might be.

● (1640)

I would like to ask if a study similar to the one done in the United States has been carried out by AECL. We do not know. We simply have to accept on faith that the shipper is a responsible company and that AECL is regulating it just as closely as it should be. I just do not want to go on the word of AECL without seeing documentation to back up that claim.

I think the parliamentary secretary would agree that a company's accident record should be a major consideration when it comes to contracting the movement of nuclear materials.

I said that I do not wish to delay these proceedings any longer than they have to be, but I express the very sincere hope that the parliamentary secretary—and through him the minister—will agree that these points are certainly worth considering, that they are very important, and that he will see that they are put into effect just as soon as possible.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have just one observation with respect to the amendment to the title proposed by the hon. member for Regina West (Mr. Benjamin). It occurred to some of us in the committee that the proper amendment to the title might very well have been in the long form, the Marchand-Mazankowski link, and in the short form, the Ellison connection.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will digress from the motion for a moment to respond to the hon. member for Kingston and the Islands (Miss MacDonald). I will certainly take her recommendations to the minister. They are valid considerations for us to deal with along with the Atomic Energy Commission.

The hon. member for Regina West (Mr. Benjamin) wishes to amend the title, and I think it is important for us to stress that the value of the bill rests on its implementation and its regulation, which calls for the co-operation of both the federal government and the provinces. The provinces have generally supported this bill under its present title, and it was within the

realm of the provinces that there was objection to calling this or implying that this was also an environmental bill. The inclusion of such a reference in the title might be misleading since the words could be construed at some future date to allow for amendments to the act which might involve the environment, remedial measures, compensation, and new regulatory powers which are outside the proposed ambit of this bill. It could also raise objections from the provinces that the bill is ultra vires the federal government.

We recommend that this change in the title be opposed.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will be please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

Motion No. 5 (Mr. Benjamin) negatived.

Hon. J. Gilles Lamontagne (for the Minister of Transport) moved that Bill C-18, to promote public safety in the transportation of dangerous goods, as reported (with amendments) from the Standing Committee on Transport be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Blaker): When shall the bill be read the third time?

Mr. Knowles: By leave, now.

Mr. Lamontagne moved that the bill be read the third time and do pass.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to preface my remarks at third reading by saying again that all members of the committee, departmental officials, the parliamentary secretary and the minister did much work on this legislation. I particularly want to recognize the assistance officials gave us with their comments and their answers. We did not necessarily like them all, but the officials were very forthcoming during the committee hearings, and I wish that could happen on every piece of legislation with which we deal in this place.

While all parties support the passage of legislation regarding the transportation of dangerous goods, as legislators we also have an obligation to tell the public that this act will not eliminate all of our concerns about the movement of hazardous substances.

The illusion that this act will prevent disasters must be dispelled. Some day another train, truck, ship or plane will spill its deadly cargo on an unsuspecting neighbourhood, shattering what is presently being looked upon as the security—and we call it false security—of this legislation. Maybe luck will be with us again and the neighbourhood can be evacuated. Let us hope so.

What the act will do is provide for proper classification, packaging and identification of all dangerous goods being transported—with stiff penalties for non-compliance—which in itself is significant, but it will not deal with safety of transport vehicles per se. In fact, the following statement by the Minister of Transport (Mr. Pepin) to the House of Commons Standing Committee on Transport, indicates that. He said:

> It is important to note that the bill does not establish safety standards and procedures respecting the safe operation of any mode of transport or any industrial activity . . . it addresses only the special question of dangerous goods.

In other words, this legislation will not, for example, require adequate maintenance of railway lines or trucks or prevent some worn out boxcar somewhere on a train from causing the derailment of another car carrying chlorine, for example. The government is leaving policing of safety to other authorities such as the Canadian Transport Commission, but the CTC must be given the resources to do the job.

In the past three years the staff of the Canadian Transport Commission, including staff in the rail safety division, has been cut back. There is no argument that that kind of restraint must be lifted, yesterday. In fact the estimates have called for a progressive reduction in the number of safety inspectors working for the CTC over the last three years under three different governments, two Liberal and one Tory.

There are some shortcomings with regard to our dangerous goods legislation which need government attention. For example, there is no opportunity for the general public to make representations regarding the adequacy of the legislation's regulations, although government members did support an amendment of ours to provide freedom of information regarding reports of inquiries into accidents involving dangerous goods.

The legislation should also be amended further to include a compensation scheme, funded by industry and administrated by the government, which could compensate people for immediate needs after a disaster and then collect expenses from those responsible for a spill later on through the courts. This would avoid such situations as the one at Mississauga, for example, where the CPR provided money only for immediate needs, if people signed away their rights to further action. Let us remember that we are looking at possible damages of

hundreds of millions of dollars in some cases. What if the company concerned went bankrupt? Who pays?

I suppose the best way to reduce damages is to improve safety. In conjunction with this legislation the railways must be required to modernize their operations and hire adequate complements of staff to inspect and maintain facilities. We can have all the transportation of dangerous goods legislation we like, but if the facilities and infrastructure for the transportation of dangerous goods are worn out or inadequate, this legislation will be of little help. It will be after the fact.

● (1650)

Would you believe, Mr. Speaker, that between 1956 and 1977 the railways alone eliminated 60,000 jobs, 30,000 of which were cut from maintenance, directly affecting safety, not just in the transportation of dangerous goods but all other kinds of safety? Of course the railways should not be singled out. I only use that as an example. More stringent safety procedures must be required of all modes of transportation, and I draw that to the attention of the Secretary of State for External Affairs (Mr. MacGuigan) because I presume that a satellite carrying radioactive material is transporting a dangerous good, and international, let alone the national, ramifications must be apparent to him as well.

If public concern over Mississauga or MacGregor is translated into shifting the movement of dangerous goods from rail to truck, we will not be better off; in fact, we could be worse off. However, the reality is that the Minister of Transport is not God, and he has professed that on a number of occasions. Even with the most stringent regulations, even with a bill with many teeth in it, even if the transport companies did everything humanly possible to prevent accidents, some accidents will occasionally occur. This legislation will not solve all of that, but this does not mean that we cannot significantly reduce the number of accidents, which must, in the short run, be the primary objective. However, some will be missing the boat if we do not emphasize the long-term solution to be the reduction of our society's dependence on non-renewable materials which are themselves dangerous or are made from dangerous goods.

Chemical technology is outstripping our knowledge of its effects. Sixty-three thousand man-made chemicals are now in use, a thousand more are added to the list each year. Transportation is only one aspect of the problem. There is also the manufacture, storage and disposal of these projects. As a society we should ask ourselves if we want to continue producing so many hazardous goods and if we should not be treating them comprehensively from the cradle to the grave.

My purpose in making these remarks is not to alarm unduly but rather to point out that the job has just begun and we should not be content to rest on this one piece of legislation.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I also will be very brief with respect to this piece of legislation. As we know, the need for this type of bill, for bringing together a number of perceived areas, started back seven or eight years ago under that distinguished gentleman who is now in the other place, the then minister of transport, Senator Jean Marchand. At the time the only real concerns which were being contemplated were in the areas of road transportation, as has been mentioned. But over the years there has been an evolution of thought, a continuation of very dedicated work by officials, indeed, a succession of bills, starting with Bill C-53, followed by C-70, C-25, and now C-18 in front of us. Because each one of them has changed and grown, they have demonstrated the need for a comprehensive piece of legislation, one which at once affords levels of protection which a bill like this can accomplish but at the same time provides us with a legislative basis upon which regulations can be brought forward which will lend substance to the protection of the public and, as my friend the hon. member for Regina West (Mr. Benjamin) keeps referring to it, the environment, because that is not unimportant in this context.

I recognize, together with those requirements, requirements for the safe handling, identification, training, proper inspection, a little light on investigation, a little light on where transport begins or ends. On the other hand, it seems to me that the perceived requirements of society here in Canada today—and I think this is rather important—should not place undue economic or legal restraint upon the private sector, or where applicable the public sector, which must, on a daily and continuing basis, move dangerous or hanzardous projects around the country. That in itself is no small achievement, brought about by the collective efforts of a small but dedicated branch within transport which is responsible for dangerous goods and a succession of ministers of transport.

The bill as well presents us with some pretty broad guidelines which are fully understood by the provinces, guidelines with respect to regulations which will flow from them. These are pretty broad and clearly understandable guidelines, not only to provincial authorities but to industry and the community of interest which will have to operate within them.

The bill is comprehensive and it lends the necessary statutory authority which at this time is perceivable to all of us. It may not, as some of us might have wished, have gone a little further in certain areas, but I do not believe that to be a limitation on the capacity of this bill because if bills of this nature, indeed most legislation which comes before the House in this broad category, are not living, breathing things capable of change from time to time which reflect need, change in regulation which accommodates that need, change in the legislative character by way of amendment here on the floor of the House to accommodate need, if we have not achieved at least that in this bill, then I believe it could be properly said that we have failed. On the contrary, this bill means all of this.

If the distinguished member for Vegreville (Mr. Mazankowski) were here, he might want to make that point today and to emphasize that there is not a single thing in this piece of legislation that puts any barrier in front of the regulatory process to accommodate, and that is what we have set out to do. I think that if the former minister of transport were here he might have made another point with some pride, that is,

that as we have developed over the years—I suppose other former ministers of transport could also take some pride in this—as this bill and its regulations have developed and are yet to be clearly and finally set forth, we have been leaders and not followers.

The bill is innovative in its approach to the statutory requirement for regulation and it has been paralleled by neighbours to the south. In short, we have been the leaders not the followers in the development of comprehensive and, in my judgment, good legislation. The bill was produced with the fullest and broadest co-operation of the industry, the provinces, our neighbours to the south, and indeed a very broad range within the international community that will be subject to this law when in fact they are in operation in whatever mode in this country. It was acceptable to them; it was clear and concise, in their judgment. Again I think that is a credit to the process which brought this together.

● (1700)

As I have indicated, all of us should show some respect and appreciation for that small but very active group within the department who have responsibilities in this area. We have some obligation to wish them well and thank them for the nitty-gritty of putting together the regulations under it. I am satisfied on two accounts. I am satisfied with the competency of that staff and the innate good sense of the chamber to react to need when it is perceived, although seven years might be described as a damnable length of time to achieve and accomplish something as fundamentally good and sound.

Generally we on this side of the House are satisfied that the bill provides capacity for easy amendment and flexible regulations in areas where it falls short, where it fails, or where new understanding is required of intermodal movement of goods in this country, in and out of it, through and over it, or around its waters. I have less certainty respecting the administration of this bill and would express the hope that the wherewithal, as mentioned by other members in their deliberations, for adequate training will be made available. Certainly the Canadian Transport Commission is one vehicle, but it is not the only one. The inspection services contemplated as being the inspection authority within the meaning of this act, no matter what other act they may be operative under, require assistance in the form of upgrading their information, professionalism, and capacity to ensure that this bill and its regulations operate in the interest of Canadians, that it operates effectively in the protection of our environment without infringing upon the jurisdiction of the provinces.

In the course of its public hearings respecting this bill, the committee heard a wide cross-section of Canadians, including consumer groups. I think this morning we were criticized by one consumer group that we had failed as a committee or as a Parliament to pay attention to its views. Simply that is not so. In putting together the list of witnesses, the Standing Committee on Transport was conscious of the broad section of briefs which came before it. The committee chose representative groups and acted arbitrarily. I will explain why in a moment, but it accommodated the broadest interests of groups. In response to dozens of briefs, the government—and it is a credit to them—offered numerous amendments. We heard the concern of the New Democratic Party for amendments in certain areas. We on this side offered and debated amendments to this piece of legislation. So I think it has had good public exposure before arriving here this afternoon.

As I indicated, the bill is a living thing, and as with all such living things it will grow and change from time to time. I am confident that in that growth and change, because of its character and nature, it will reflect the legitimate needs of the safety of people and the environment. I am satisfied it is in competent hands. That leaves only to be said that we on this side extend our appreciation to the parliamentary secretary for the knowledgeable and professional manner in which he dealt with this matter in committee and in the House. We are anxious to get on with this today. I think it is pertinent to put the reasons for the need for this legislation on the record, that is, beyond the obvious ones.

We were contemplating the adjournment of this chamber at the end of July, but it was decided that we would move quickly, although I hardly think seven years is too rapid an approach, to deal with this piece of legislation today and to have it looked at by the Senate. It is a matter of some regret that now we are referring this bill to the other place, leaving them only a matter of a few short days in which to contemplate it, review it, and let us have their considered judgment respecting it. It is important to say that. If this bill were not dealt with in the closing days of this session, there is a probability—always we seem to refer to possibilities; I think this is more of a probability—we would have returned to this chamber around Thanksgiving or shortly afterward only to find, because of other pressing matters, an urgency to wind up this session and commence a new one. If that happened, the bill might very well have died, and then it would have been necessary to reintroduce it in all of its stages, thus causing further delay.

Mr. Knowles: It will not be a new session in the fall; it will be the same session.

Mr. Forrestall: I do not think this session will last much beyond one or two days after our return. It may; I may be wrong. In any event, it would have called for a total reworking of this particular piece of legislation. That would have been the fifth time around, and it would have been unacceptable.

I hope the Senate is able to consider it and that the matter will be dealt with so that the proper authorities can get on with their two to three-month job of putting together the regulations in the hope of meeting a satisfactory application date for this piece of legislation before December 31, 1980.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the members of the Standing Committee on Transport and the members of this House in all parties for the intense interest and valuable contributions they made to bring the bill to this stage. Also I

want to make reference to the previous minister of transport and his contribution in bringing the bill to the stage it was at when the House adjourned last December. It is on the foundation he prepared that the committee was able to deal with it more speedily and bring it forward today.

Also I want to mention the officials who have been so helpful and have demonstrated their expertise in this field. They were an asset to have at our side to ensure that members of all parties have a better understanding and grasp of the intent of this bill. We all owe them a great deal of thanks and gratitude for what they have been able to provide to us.

● (1710)

May I underline, Mr. Speaker, the fact that the Standing Committee on Transport gave careful and detailed consideration to this bill. The amendments proposed as a result of assessing submissions made to the standing committee have, I believe, strengthened the bill in some respects and brought it into balance. I should like to add that all of these submissions were of value and this House should recognize the work that went into their making.

[*Translation*]

Mr. Speaker, I am very satisfied with the bill which has been reported to us. This bill has already been introduced three times in the House and I know it is important to have it adopted before recess so that the regulations will be published as soon as possible; I therefore urge members to participate with me in the third reading of Bill C-18 so that we will be able to refer it for study in the other place.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, it appears that I have the opportunity to give the benediction on the transportation of dangerous goods bill. Although I want to acknowledge the efforts that have gone into the formulation of this legislation—work which long precedes my arrival in this august chamber—I feel that it is somewhat appropriate that I have the opportunity to speak at this stage. My first question in this House was put in October, 1979, to the then minister of the environment, asking when the transportation of dangerous goods bill would be brought forward. It was only a month after that question that the events in Mississauga occurred, and only shortly thereafter that the move to bring in the bill gained momentum. I think we need to be reminded of that, Mr. Speaker.

I am willing to participate in the non-partisan atmosphere which prevails in the House this afternoon, and I should like to extend my congratulations to the committee on the work it has done. I was not a member of that committee so I extend my congratulations to it, to my colleagues for the quality of their amendments, to the officials and everyone involved.

With respect to this bill, as with so many other things, we must realize that we are at third reading stage today because incidents like the one at Mississauga happened, and not entirely because of our own foresight.

As I said earlier, the question I asked in October, 1979, concerned not only the transportation of dangerous goods but also the disposal of dangerous goods. I was reminded of that when the hon. member for Kingston and the Islands (Miss MacDonald) expressed concern about the transportation of radioactive material. Another concern that many people have about radioactive material is its disposal once the use for which it was being transported has been executed. Of course this concerns not only radioactive material but many other dangerous products as well.

We have to realize two things about the limitations of what we are doing today, Mr. Speaker. It has already been pointed out that the bill is only concerned with the transportation and packaging of dangerous goods and not with the safety of vehicles and transportation systems responsible for carrying those goods. The bill does not address the much longer-term problem of disposal of dangerous goods. This is something that I hope members of the government in particular will note, and that we will not have to wait for an accident like that at Mississauga before we begin to take the problem of disposal of dangerous goods seriously. As a logical extension of the concern of the hon. member for Kingston and the Islands, I hope we will not wait for a disaster before legislation is brought forward to deal with the disposal of dangerous goods and, in particular, the disposal of radioactive waste. Of course we would not have that problem in the first place if we were to abandon our foolish commitment to nuclear power. It looks as if the government is committed to nuclear power, however, so we must take very seriously the problem of the disposal of radioactive waste.

Perhaps I am something of a party-pooper and am taking the gleam off the mutual admiration society that we seem to have become this afternoon when dealing with passage of this particular bill, Mr. Speaker, but I want to put these points before the House.

Another matter I want to deal with is the concern felt in my home town of Winnipeg. It is unfortunate that the public's attention and heightened awareness of the problem which the transportation of dangerous goods poses has come about as a result of incidents like Mississauga, MacGregor and the methanol spill at the CPR yards at Winnipeg. Unfortunately, this did not lead to a stronger commitment by the federal government to rail relocation in Winnipeg.

One of the ways in which we can reduce the danger to life, to health, to property and the environment, is to take seriously the opportunities to reroute these products in our major residential areas. It seems that in spite of the awareness created through recent events and the debate on this bill, the government has not been inspired to do anything more decisive about railway relocation in Winnipeg—not just for the sake of safety but for the sake of revitalization of the inner city of Winnipeg. I regret that this opportunity to realize the value of rail relocation is passing with the debate on this bill and that no other opportunities present themselves in the House to speak on this issue from this angle.

Given the brevity of the last Parliament, Mr. Speaker, some of us have had the opportunity to become veterans very quickly. This is one of the first bills that I have had the opportunity to see go through from beginning to end. I will be interested to see whether the intention of the bill becomes reality when I see the quality of the regulations. I will wait also to see the depth of the government's conviction to ensure the regulations are enforced. We all hope the government will act in other ways that will promote the safety of persons, property, and the environment by lifting the various restraint programs which are presently imposed upon the Canadian Transport Commission, for instance.

● (1720)

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I would like to speak for a very short moment to say how much I appreciate this bill and the work which has gone into it. We on the west coast are very accustomed to the difficulties of transporting materials, dangerous and otherwise. I believe that this bill will do much to alleviate the dangers which we face in this area.

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

Some hon. Members: Question.

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

* * *

BUSINESS OF THE HOUSE

Mr. Lamontagne: Before we go on, I would like to inform the House that tomorrow will be the final day of the address debate. This means that the House will meet at eleven o'clock tomorrow morning.

* * *

IRANIAN ECONOMIC SANCTIONS ACT

MEASURE TO ESTABLISH

Hon. Mark MacGuigan (Secretary of State for External Affairs) moved that Bill C-31, to provide for the imposition of certain economic sanctions against the Islamic Republic of Iran, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Members are well aware of the circumstances that have led to the introduction of this bill. The seizure by Iranian militants of the American Embassy in Tehran on November 4 last year, and the subsequent detention of its staff, constitute grave violations of international law which call for an unequivocal response from the international community.

The strong protests which Canada and other countries have already made to these violations are not an over-reaction to a mere breach of diplomatic form. On the contrary, the hostage crisis is a fundamental challenge to the centuries-old evolution of orderly relations among states. Without the assurance that governments can confidently exchange diplomatic missions, and that host governments will accord them immunity and protection from acts of violence such as we have recently seen in Iran and in other countries, interstate co-operation will be in grave danger.

That Iran, over the past year has been trying to evolve new government institutions and has so far lacked centralized authority is, of course, a factor which we must keep in mind in deciding the nature of our response to the hostage crisis. However, the internal situation in Iran cannot in any way be used as an excuse to look the other way when a violation of international law of this magnitude occurs. The international community would do so at its peril.

The threat which this crisis poses for the international community was recognized by the United Nations Security Council, which last December passed without dissent, and with even the support of the Soviet Union, two resolutions urging respect for international law and demanding the release of the hostages. The second resolution called for sanctions against Iran in the event of non-compliance by that country with the terms of the resolution. Its purpose was ultimately frustrated when the Soviet Union vetoed the draft calling for specific sanctions against Iran which the Americans introduced on January 10.

The cynical Soviet veto, however, cannot obscure the fact that the international community, both then and now, condemns the hostage affair. In addition to the overwhelming support given to the Security Council resolutions on Iran, this condemnation from the international community has been reiterated by the International Court of Justice which, first in December and then again in May, ordered Iran to restore the embassy to the U.S.A. and to free the hostages. These unequivocal judgments by the UN and the International Court of Justice fully justify the international community in applying economic sanctions against Iran.

After the sanctions resolution was vetoed on January 13, the American government requested a number of friendly governments, including Canada, to apply the measures foreseen in the resolution, notwithstanding the Soviet veto. This American request was subsequently held in abeyance when it appeared in late January that a more cohesive and pragmatic administration was emerging in Iran, and that the UN might be able to mediate the dispute. Regrettably, that has not proved to be the case. Even now that that Parliament has finally come together, a solution appears to be no nearer.

The decision by the European Economic Community and Japan on April 22, and by Canada on April 23, to impose limited measures against Iran was in response to a renewed call for support from President Carter on April 8. At the time they imposed these limited measures, the EEC, Japan and Canada stated that if there was no decisive progress in the hostage situation by May 17, further measures would be taken against Iran. No decisive progress was achieved, and on May 18, EEC countries, followed by Japan, decided to implement the kind of measures contained in the vetoed Security Council

resolution. On May 22 I announced that Canada was taking parallel steps by placing controls on the export of goods to Iran and by introducing into the House the legislation to which I am speaking at the moment.

I have already explained that the government has been prompted to take these steps out of its concern to uphold a fundamental rule of international law which is vital to the conduct of international relations. It follows from this preoccupation that we would like to see as many countries as possible support such measures, so as to impress on the Iranians that a prolongation of the hostage situation will inevitably lead to their further isolation in the international community. It was this consideration that led us to co-ordinate our recent actions with the EEC countries, Japan and Australia. It is for the same reason that I hope the House will give immediate approval to this bill, and thus put Canada in a position to implement, in concert with our allies, the range of measures supported by a large majority of the Security Council.

In addition to considerations of legal principle, there are compelling political reasons why Canada and other countries should support economic sanctions against Iran. These measures go at least some way to reassure the Americans that the international community is prepared to show solidarity in confronting an illegal situation that is deeply frustrating and galling to them, and is indeed intolerable for all law-abiding states.

In our view patience is required to allow the Iranian political scene to evolve, and imagination will be needed to find a formula for the safe release of all the hostages. Canada will do what it can to support initiatives that have some chance of securing the hostages' release through negotiation. Meantime, however, we cannot accept that no action be taken. We must demonstrate to the Americans as well as to the Iranians our determination that justice in terms of international law is available to all countries. Economic sanctions, in addition to their value in adding to the pressures on Iran to release the hostages, serve this symbolic purpose.

There is a point I should add about Canadian-Iranian relations in the longer term. I have already assured the Iranian foreign minister in a personal message on May 12 that we are not mounting sanctions against Iran because of any hostile attitude toward the Iranian government and people, or out of any desire to intervene in Iran's internal affairs. Canada strongly supports the independence and territorial integrity of Iran. It looks forward to the day when the hostage crisis is resolved and it should once again be possible to resume the full range of friendly contacts between our two countries.

Turning to the nature of the legislation now before the House, the Security Council resolution proposed by the U.S.A. on January 10 required all states to take a number of measures against Iran in the areas of trade, transport, finance and diplomacy. Some of the measures, such as the placing of controls on the export of goods to Iran and restrictions on diplomatic personnel, can be taken by administrative measures in Canada, and this we have already done.

Had the U.S.S.R. not vetoed the resolution, all of the other measures could have been implemented under our United Nations Act. The Soviet veto made this impossible and the government has therefore proposed that Parliament enact new legislation that would enable the imposition of economic sanctions against Iran. The bill follows the draft resolution very closely and is designed to put the government in the same position it would have been in had the Soviet Union not cast their veto.

● (1730)

The government recognizes the exceptional character of this bill and has therefore drafted it in narrow terms intended only for the implementation of the January 10 draft resolution. We have provided an opportunity for parliamentary review and debate of regulations made under the new legislation. The bill also contains provision for its expiry one year after the day it is assented to, unless expressly extended.

In conclusion, let us hope that circumstances will ensure that the need for and hence duration of this legislation will be short-lived. The just announced release of one Iranian hostage appears not to indicate any general change of heart, but once the new Iranian parliament has been able to establish its working procedures it should be able to turn its attention to the hostage question. With their country facing increasingly urgent and difficult problems at home and abroad, more and more Iranians may come to see the hostage crisis as an unnecessary impediment to the solution of these other problems. As soon as the hostages are released, the government will move quickly to repeal the legislation now before us and will resume its efforts to renew relations with Iran, for which we think there is considerable scope.

Although the motion as you have presented it, Mr. Speaker, was to refer this bill to the Standing Committee on International Affairs and National Defence, I believe there may be unanimous disposition on the part of the House to deal with the bill in all stages today after members have finished their speeches on second reading, and I hope that that will be the procedure which is followed.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I can inform the House that this party is in agreement that the bill proceed through all stages today, and I would like to reassure the minister of that.

In recent days the release of one of the American hostages from Iran has dramatically focused, once again, the world's attention on the detention of American diplomats in Iran, and that makes more relevant the debate we are having on this bill today, which is to provide for the imposition of certain economic sanctions against the Islamic Republic of Iran. We hope and pray, sir, that Mr. Richard Queen's release is no isolated incident, and that his 52 comrades will soon follow his path to freedom.

It is now 255 days since the American embassy in Tehran was overrun by the so-called student militants. It is more than eight long months since the American diplomatic personnel in

the U.S. embassy in Tehran were seized as hostages. Throughout this long period, Canadians, of all the peoples in the world, have been front-line observers of the personal anguish and the national anxiety which these events have stirred in our American neighbours. We are reminded daily of their concerns through the medium of television and radio, and through personal contacts with our neighbours to the south.

Canadians are a people who know and cherish our liberties and who understand and respect international order. The flagrant disregard for both of these, that is, of liberties and international order, by the leaders and by the people of Iran, has evoked in Canada a deep and genuine concern for the well-being of the American hostages, and a symphathy for those in the United States administration and in the government who have so patiently worked for the resolution of this crisis.

As Canada's foreign minister at the time of the embassy takeover, I was very much aware of the sentiments of Canadians as well as the concern in most nations over the disregard for international law regarding diplomatic immunity. Canadians recognized that the very foundations of international law and civilized diplomacy were being called into question by the situation in Iran.

Canada's involvement in this international crisis was heightened on November 9, five days after the embassy takeover when Ambassador Ken Taylor was authorized by then prime minister Clark to provide refuge to six American diplomatic personnel who were outside the U.S. embassy at the time of the seizure. That decision to offer sanctuary to our American house guests and the vital necessity to keep it a closely guarded secret so as to protect them, made the Canadian government's reaction to events in Tehran more difficult and more complex. I would like to explain why.

As a government, we were determined to do all we could to lead international opinions, organizations, groups and nations in pressing the Iranian authorities, who were often incapable or unwilling to govern, into releasing the American hostages. We were trying throughout to take a lead in that regard. At the same time we were well aware that initiatives that were too isolated or too high profile, initiatives which would have had the effect of focusing unusual attention on the Canadian embassy, could endanger the American hostages, our house guests, and our own foreign service personnel in Tehran. Yet we were determined to play a vigorous role, both public and private, in seeking a resolution to this situation.

So, on November 27, as a result of a Canadian initiative, a meeting of Commonwealth representatives was held in London. As a result of that meeting a joint communiqué was issued protesting the actions of the Iranian militants and appealing for the release of the American hostages. Later, on December 4, at the United Nations, Canada welcomed the Security Council resolution calling for the release of the American hostages. On December 13, at the NATO ministerial meetings in Brussels which I was attending, the foreign ministers called upon the Iranian authorities to set at liberty the American diplomats.

While these public statements were important, the government recognized that further steps had to be taken, including economic sanctions, and that they should be considered by all concerned nations. This required ongoing consultations if effective sanctions were to be imposed. Because of the secret harbouring of the Americans in our embassy, regular consultation and contact had already begun between Canada and the United States officials as well as between Secretary of State Vance and myself.

In early December I met with senior U.S. officials in Paris to discuss, among other things, economic sanctions against Iran. Indeed, as a result of those meetings, then prime minister Clark privately communicated a set of guidelines to be followed by Canadian banks regarding banking business with Iran. We had also begun other sanctions of an economic nature, some of which are referred to in the legislation before us today.

[*Translation*]

Because we are neighbours to the United States, we Canadians are aware of the feelings the hostage situation in Iran has aroused among Americans. That is why Canada has acted so promptly to establish various organizations which would help liberate the hostages. Moreover, it was natural that the Clark government readily agreed to lodge the six American diplomats in our embassy in Tehran.

I am proud of the measures taken by the Progressive Conservative government. Our government spared no effort to remedy this shocking incident of hostage-taking in Tehran. My party still strongly supports this approach.

• (1740)

[*English*]

Because Canadians understand, more than any other nation, the enormity of feeling that the hostage situation in Iran has aroused in the American people; because we were so deeply involved in urging various international organizations to seek an earlier resolution to this situation; and because of our overriding concern for the safety of the six Americans and our own personnel in the Canadian embassy in Tehran, it was only natural that, as Canada's foreign minister, I went to New York on December 30 to urge the Security Council to adopt the American resolution calling for the release of the hostages, and if that was not forthcoming, to impose economic sanctions against Iran. This was perhaps not the normal thing to do, given that Canada is not a member of the Security Council at present, but I felt that the circumstances compelled my personal intervention.

In calling for the implementation of economic sanctions, I stated at that Security Council meeting that such action would be "a powerful, positive and peaceful step to help resolve this intolerable situation which threatens the peace, order and good governance of the world".

That American resolution, the text of which is substantially the same as the legislation before us today, was subsequently vetoed by the Soviet Union in the Security Council on January

13. Certainly, sir, if these measures were warranted in January, they are even more deserving of our support six months later, with the American diplomats still being held as hostages.

Securing international support for economic sanctions against Iran has not been easy—indeed their total effectiveness is not assured even after months of consultation. But then nothing about the international effort to free the hostages has been easy; it has involved a very real element of personal risk, delicate diplomacy, and considerable danger, for individuals and countries. That was true when the Canadian government gave refuge to the American diplomats, when we communicated guidelines to the banks, when we spoke out in international forums. But I am very proud of the steps taken by the government of which I was a member. In the face of this outrageous violation of international law in Iran, we did what we could to help resolve the situation. And my party continues to support, and strongly support, that approach and the bill that is before us today.

There is, however, one aspect of this entire episode which has deeply troubled me and many other Canadians, and it concerns the behaviour of the then leader of the opposition, the right hon. member for Mount Royal (Mr. Trudeau). In his role as a Privy Councillor and as leader of the official opposition, he was informed shortly after the decision had been taken to provide sanctuary to the six American diplomats, of this secret and very delicate mission. Presumably he would have understood the danger to these American diplomats if their whereabouts had become known. Presumably he would have recognized the difficult balancing act the government was involved in, in which we were making every effort in various international organizations to seek a resolution of this crisis, including by means of sanctions, but doing it in such a way that would not endanger the lives of our Canadian personnel in Tehran or the safety of those Americans we sought to protect.

And yet day after day, in a partisan fashion, the right hon. member sought to embarrass the government over what he portrayed as the government's lack of action and lack of support for American efforts to release the hostages. As he said to me on November 27, during question period in the House of Commons, "we will soon be condemning this government if it continues to take such standoffish attitudes". Yet he knew better, he was one of the very few to be privy to what was taking place at our embassy in Tehran. I say, sir, that his conduct throughout this period was one of the most cynical displays of opportunism and political gamesmanship this House has ever witnessed.

Some hon. Members: Hear, hear!

Miss MacDonald: Finally, Mr. Speaker, I have read in the past few days that the Iranian acting ambassador to Canada has stated that if Canada's relations with Iran are to improve, we will have to apologize to Iran for helping in the escape of the U.S. diplomats. I am certain, Mr. Speaker, that most Canadians find that piece of gratuitous advice downright insulting.

The rescue operation carried out by Ambassador Taylor and other Canadians, both in Tehran and in Ottawa, is a matter of great national pride. We certainly have no apologies for compassion, for bravery, and for plain good neighbourliness. Our pride, however, is tempered by the fact that there still remain 52 American diplomats in Iran. It is our hope that the sanctions for which this bill provides will be an effective instrument in securing their freedom. To this end, my party supports the bill before us today.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we deeply regret the need for this bill. We have some concerns about it, but we are prepared to give it our support. That includes our willingness, at the conclusion of the second reading debate, that the bill be referred to the Committee of the Whole so that it can be dealt with through all stages before we rise at six o'clock. I said that we have some misgivings or concerns about the bill, but it is a fact, as stated by the Secretary of State for External Affairs (Mr. MacGuigan), that our world is in a bad way if the traditional immunities enjoyed by diplomatic personnel in the countries of this world are violated or diminished, and we have to give very serious consideration to what has developed because of the hostage-taking incident in Iran.

We join with others in expressing our concern for the people of the United States in the long trial they are going through with respect to this matter. We earnestly hope that some time very soon it will be resolved. We are also concerned that there are so many incidents affecting diplomatic personnel in other parts of the world. As I say, we join with others in this House in the belief that this is a matter which deserves very serious consideration.

I said that we have some concerns. I do not intend to spell or spin them out. We note that boycotting by certain other nations is sometimes not carried out very effectively. We know of boycotts which are there on paper but are violated in various ways known to us all. We sometimes wonder whether economic boycotts have any effect in resolving a situation, whether they do anything more than stiffen the spine of those who are boycotted. Yet we are prepared to admit that this situation is so serious that we have to place in the hands of the government the power contained in this bill if the government feels that such power has to be used. I must also say we wish that in circumstances like this our friendly neighbour to the south, the United States, would do a little more consulting before it takes positions and initiates actions which it expects us to follow—this is a view which is understood, I think, by most observers of international relations.

● (1750)

Nevertheless, having said these things, we recognize that the kind of power contained in this bill is something the government should have, and for that reason we are prepared to support the measure.

The main reason this bill is necessary is, of course, because of the hostages being held in Tehran and elsewhere. The other

immediate reason was the veto on January 13 by the Soviet Union of the resolution which had been presented to the United Nations Security Council. Had that resolution been passed, this action today would not have been necessary. As the minister has said, this bill simply places the Canadian government in the position in which it would have found itself had that resolution passed. I commend the Secretary of State for External Affairs and the government of which he is a member, on recognizing how serious a matter this is.

This is a temporary piece of legislation. I notice it is to be in effect for one year from the time it is given royal assent, unless it is extended, but that it cannot be extended longer than for a further year. There are also limitations with regard to actions which can be taken under the bill. The government has to lay its proposals before Parliament, and Parliament has the opportunity to approve or negate them as it wishes. These precautions having been taken with respect to a serious operation, we are prepared to support the bill through all its stages this afternoon.

Mr. MacGuigan: Just another sentence. I feel that since the critic opposite has introduced a somewhat partisan note I shall make a brief comment—

Mr. Knowles: "If he speaks now—"

The Acting Speaker (Mr. Ethier): I have to advise the Secretary of State for External Affairs (Mr. MacGuigan), that if he speaks now he will be closing the debate at this stage.

Mr. Stollery: On a point of order, Mr. Speaker, when you refer to closing the debate at this stage, does it mean we shall not move on to the report stage this afternoon?

An hon. Member: Report stage?

The Acting Speaker (Mr. Ethier): We can go into Committee of the Whole as requested by the Secretary of State for External Affairs in his opening remarks. It was requested that the motion be changed to read "and referred to Committee of the Whole". Is that agreed?

Some hon. Members: Agreed.

Mr. MacGuigan: When I suggested I would finish in a sentence or two, I meant that literally. I merely want to say that since the then leader of the opposition had certain knowledge secretly, he nevertheless had to behave publicly to ask the questions which those in his own party and those in the public rightly and reasonably expected to be put to the government. Even looked at objectively, apart from that consideration, the fact that the government of the day was rightly sheltering the American hostages doesn't mean that they could not also have been engaged in some alliance-related activity.

Miss MacDonald: They were.

Mr. MacGuigan: The hon. member says "They were."

Miss MacDonald: And I detailed them.

Mr. MacGuigan: Well, that is a possible interpretation. But I think the people gave their final judgment on this and many other issues on February 18.

Some hon. Members: Oh!

Miss MacDonald: Forget the ending.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

On Clause 2—*Definitions.*

Mr. Stollery: I have a question or two to ask, Mr. Chairman. My first question to the Secretary of State for External Affairs at this stage of the bill has to do with a matter which has troubled me—possibly he can allay my concerns. They have to do with the practical effects of this bill on the well-being of the hostages—their effect on the freeing of the hostages.

Are we looking at a bill which involves a question of principle, are we talking about the principle of supporting the Americans, or are we talking about a bill which is likely to have a practical effect in relation to the freeing of the hostages? Personally, I am interested in freeing the hostages and I believe this should be foremost in the thoughts of hon. members when they address the internal problems of Iran. We have read a great deal about these problems in the press. There are many. For some time it has been questionable whether even the elected government controls the government or whether it is controlled by the Ayatollah movement. What practical effect will the imposition of sanctions have on the well-being of the hostages? Might it not be argued that sanctions will have no practical effect because we do so little trade with Iran anyway, and that the imposition of sanctions might, indeed, be harmful to the well-being of the hostages who are being held in various parts of that country?

Mr. MacGuigan: Mr. Chairman, by no stretch of the imagination could these sanctions hurt the hostages. This action is similar to that which has already been taken by members of the European Economic Community. If it was going to hurt the hostages it would have done so in that case as well. It will help in the sense that it puts some pressure on Iran, although not very much in our case; in our case the primary effect of the legislation is one of principle and of symbolism as I explained in my address.

Mr. Stollery: I have another question, Mr. Chairman. When we talk about sanctions I am more interested in things which have a practical effect, measures which in fact are likely to do something to assist in the freeing of the hostages, something which, to my mind, is a serious business, not just because of the incident in Tehran. There was the recent example in Columbia or Venezuela. There has been a series of such incidents. Quite frankly, I am not sure whether I am interested in resolutions which seem to me to be public relations gestures, if I might be candid about it, and I would like to know if the government is contemplating something which would have some practical effect on the status of the hostages in Iran.

● (1800)

Mr. MacGuigan: Mr. Chairman, the government is not contemplating other measures beyond those taken and those in this bill. Perhaps the hon. member has a different view of this legislation from others in the House, in which case he has his usual remedy.

The Deputy Chairman: Order, please. It being six o'clock the committee—

Mr. Pinard: Mr. Chairman, I do not know if I am wrong, but I think there is an agreement, or there should be an agreement, that Your Honour does not see the clock.

Mr. Huntington: Tell the guy behind you.

Mr. Pinard: I am not blaming the opposition. I am not blaming anybody. I am just asking if there is agreement that Your Honour does not see the clock.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I think there would be agreement that we not see the clock, and I hope we can get through the balance of this bill this evening. I hope that would convenience the House and that we could do that.

The Deputy Chairman: The hon. member for Winnipeg North Centre.

Mr. Stollery: That requires unanimous consent.

Mr. Knowles: Since when are you the member for Winnipeg North Centre?

Mr. Stollery: I am a member of this House, and I have the same rights—

Mr. Knowles: Mr. Chairman, since you did call on me, may I say that as we all know, there was no House order about it, but there was an agreement or understanding that we would finish this bill before we rise. I believe the government House leader has the right to expect that that will be carried out. That is so, as far as we on this side are concerned.

The Deputy Chairman: We will therefore not see the clock and carry on with the legislation. Was the hon. member for Spadina seeking the floor?

Mr. Stollery: I will go back to my line of questioning, Mr. Chairman. In the interests of passing this bill today I suppose we are not seeing the clock at six o'clock, although it does strike me that that requires unanimous consent.

I would like to put once more to the minister clearly, and I appreciate the fact that the bill was only brought to us—

The Deputy Chairman: Order, please. I thought we had received unanimous consent. Is the hon. member saying he is not giving his consent that we not see the clock?

Mr. MacGuigan: You have already called that, Mr. Chairman.

Mr. Huntington: We talked about an agreement.

Clause 2 agreed to.

Clauses 3 to 6 inclusive agreed to.

On Clause 7—*Tabling in Parliament.*

Mr. Knowles: Mr. Chairman, may I just say, in accordance with some of the remarks I made at second reading, that we welcome the fact that clauses 7, 8 and 9 are in this bill.

Clause agreed to.

Clauses 8 and 9 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

The Acting Speaker (Mr. Ethier): It being after 6 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(2).

At 6.05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 17, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

METRIC CONVERSION

IMPLEMENTATION OF METRIC SYSTEM—REQUEST COMMISSION BE ABOLISHED—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 to place before this House a matter of urgent and pressing importance. Due to the extreme antipathy of more and more Canadians toward the government's method, to date, of implementing the metric system, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the government, if nothing else, abolish the Metric Commission and enter into a voluntary system, supported by Industry, Trade and Commerce, if necessary, thereby restoring the faith of a large number of Canadians in the democratic system of government, not to mention their rights.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

MOOSE JAW—REQUEST GRAIN ELEVATOR REMAIN IN SERVICE—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the uncertainty about the future of the Canadian government elevator at Moose Jaw and the effect this has on employees, and in view of the importance of this facility to the grain handling and transportation system, I would move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of Agriculture give a firm commitment that the said terminal will remain in service as an integral part of the grain handling and transportation system, and under no circumstances will he consider mothballing the facility.

Madam Speaker: Under the terms of Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL REVENUE

TOBACCO FARMERS—EXEMPTION FROM TAX INCREASE ON PETROLEUM PRODUCTS—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I rise, under the terms of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that tobacco exports exceed $1 billion annually, and that the tobacco industry suffered disastrous setbacks last year because of blue mould, and considering that tobacco farmers are extensive users of petroleum products in greenhouse operations, in the field, planting, cultivating, spraying and irrigating, as well as in kiln-curing of the leaves, I would move, seconded by the hon. member for Oxford (Mr. Halliday):

That in order to ensure the viability of the industry in Canada, the government take steps to exempt tobacco farmers from the recent tax increase on petroleum products for the 1980 crop year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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STATUS OF WOMEN

EQUALITY FOR WOMEN IN ALL PHASES OF THE ECONOMY—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Vancouver East (Mrs. Mitchell), I move:

That this House notes that today in Copenhagen, Canada is signing the United Nations Convention on the Elimination of all Forms of Discrimination against Women, and this House therefore calls on the government to take affirmative action to establish equality for women in all phases of our economy, in employment opportunities, access to adequate training and upgrading, the provision of adequate daycare facilities, equal pay for work of equal value, a

guaranteed level of income for women below pension age, and equality between men and women in all pension plans.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

TRANSPORT

P.E.I.—SERVICING OF FISHERMEN'S LIFE RAFTS—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that my motion of May 16, requesting the minister to re-establish the service depot for life rafts in Prince Edward Island, has generated the consideration of the Minister of Transport (Mr. Pepin) and that a service depot may soon become a reality, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House request the Minister of Transport to extend the deadline for certification of life rafts so that no fisherman from Prince Edward Island will be forced to ship his life raft out of the province, at additional expense, for servicing when soon a servicing facility will be available on the Island.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

REQUEST FOR COMPENSATION FOR GASPEREAU FISHERMEN ON SAINT JOHN RIVER SYSTEM—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise under the provisions of Standing Order 43. The trapnet gaspereau fishermen on the Saint John River system had a disastrous year: their catch was barely one-third of what it normally is.

The disaster was compounded by the fact that the Minister of Fisheries and Oceans (Mr. LeBlanc) would not allow the fishermen to fish the normal duration of their season, despite representations to him on their behalf. This is in direct conflict with the image of compassion that the minister has attempted to create in this House. I therefore move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House instruct the Minister of Fisheries and Oceans to arrange for suitable compensation for the families of fishermen for their loss of revenue caused by his indifferent attitude, so that they will not suffer undue hardships for the remainder of the year.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

CALL FOR SUSPENSION OF MILITARY ASSISTANCE TO ANTI-DEMOCRATIC REGIMES IN CENTRAL AMERICA—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 to put a motion of urgent and pressing necessity before this House.

In light of the unanimous approval given yesterday with regard to the Iranian situation, in view of the almost daily reports of mounting political repression, violence and genocide in El Salvador, including the murder of journalists, priests and other workers—now reaching civil war proportions—and in view of Canada's lack of a clearly defined policy with respect to Central America at a time when our ally, the United States, is giving $5.7 million in military aid to the rightist-controlled junta in El Salvador, a junta which has no popular backing, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House directs the Government of Canada to put pressure on the U.S. government to suspend all military assistance to anti-democratic regimes in Central America; and, further, that this House responds to the urgent representations of the Guatemala Democratic Front Against Repression, and more recently the El Salvador Democratic Revolutionary Front, in their meetings with Canadian officials and parliamentarians by sending a fact-finding delegation to Central America as tangible evidence of our concern for human rights and improved relations with the peoples of that region.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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METRIC CONVERSION

DEBATE ON FURTHER IMPLEMENTATION OF METRIC SYSTEM—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that I have received an extremely negative response from the constituents of Simcoe South to a questionnaire, plus a petition of protest regarding metric conversion, and in view of the fact that a group of Alberta citizens, because of the present government's ironclad position, has resorted to civil disobedience by changing metric road signs—costing tens of thousands of dollars—and their spokesman maintains he fought in World War II in order to preserve the freedom he feels is abrogated

by the imposition of metric without approval by Parliament, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That no further implementation of the metric system be made in this country unless the system is adopted in conjunction with our major trading partner to the south and until the measure is fully debated in this House.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

GOVERNMENT EXPENDITURES

CALL FOR INVESTIGATION INTO AFFAIRS OF PORTAGE VIEW INVESTMENTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise concerning the shocking and scandalous revelations that taxpayers are stuck with half a million dollars in unpaid rent by the financial failure of Portage View Investments' food and beverage operation in government-owned Hull Place du Portage complex, the restaurant company being headed, controlled and connected with high echelons of the Liberal Party of Canada. Therefore, I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That an immediate parliamentary investigation be ordered into Portage View Investments, terms of reference to include why the company was given an untendered exclusive 20-year contract, connections with the company of both former Quebec Liberal premier Lesage's relative, Guy Lesage, treasurer of the Hull Liberal Association and Jack Pelech, former law partner of the Minister of Indian Affairs and Northern Development, all connection with the matter on the part of the Minister of Indian Affairs and Northern Development and formerly minister of labour, which department occupies the building; and, finally, thorough examination of whether this sordid incident is a direct result of Liberal government filthy, pork-barrel pay-off politics.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NORTHERN PIPELINES

ALASKA GAS PIPELINE—DECISION ON CONSTRUCTION

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the right hon. Prime Minister, if I may have his attention. Am I correct in presuming that cabinet has now met and finally decided on the pipeline? If such is not the case, would the Prime Minister indicate when that decision would be made?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we did meet this morning but, as hon. members know, the House is meeting earlier than had been planned originally and we have not been able to finish the discussion on the pipeline. I am sorry. We hope to meet again.

Some hon. Members: Oh, oh!

Mr. Trudeau: I cannot understand the disappointment of the Tories, since they have not expressed any views on this.

Some hon. Members: Oh, oh!

Mr. Trudeau: We are planning to meet again at five o'clock this afternoon to discuss the matter further. In the meantime, if the parties in the House wish to make any representations, we would be happy to hear them.

Mr. Jarvis: To assist the Prime Minister and his cabinet colleagues, I will repeat the assurances made as long ago as 1977 with regard to this party's commitment to both the pre-build and the whole pipeline within the confines of the act, and the party's position on December 6 with respect to gas exports, despite the fact that it was called the greatest sell-out in Canadian history by the Minister of Energy, Mines and Resources. That is the position.

Some hon. Members: Hear, hear!

An hon. Member: How about that ironclad agreement?

Mr. Jarvis: As Senator Olson, who is the minister responsible, may not report in this House, will the Prime Minister indicate his intentions in so far as bringing this matter before the House is concerned, in a preliminary sense at least, and will he confirm that it will be a statement on motions and indicate when that statement might be made in the House?

Mr. Trudeau: Madam Speaker, I hope the hon. member will permit me to say that my understanding is that on behalf of his party he was supporting the pre-build. Did I understand correctly?

An hon. Member: As part of the whole pipeline.

Mr. Trudeau: As part of the whole pipeline, all the way—

An hon. Member: You were saying?

Some hon. Members: Oh, oh!

An hon. Member: Order.

Mr. Trudeau: Well, Madam Speaker, I am very happy to have that assurance.

An hon. Member: Ironclad guarantee.

Mr. Trudeau: That is right. I understand that many Albertans were distressed by the inability of the Conservative party

to make up its mind, because I think we all know that the province of Alberta and the people of Alberta are—

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, I am afraid—

Madam Speaker: Order, please. There are too many interruptions for one answer and it is difficult for the right hon. the Prime Minister to give his answer. Could we have some order?

Mr. Jarvis: I have a final supplementary question, Madam Speaker. The Prime Minister may wish to take the opportunity to indicate when that statement on motions will be made in the House.

● (1120)

The Prime Minister will recall that on December 7, when he was leader of the opposition, he referred to the commitment his previous government had received from Mr. Schlesinger on behalf of the United States administration, being a commitment with respect to the whole pipeline, that commitment being a condition precedent to the pre-build.

Yesterday, the Prime Minister is reported to have said to a journalist that he was asking the United States administration for assurances and hoped they would be received in time for the cabinet meeting. Again, this was from the United States administration.

Has the Prime Minister received those assurances? Would be undertake to table both the current assurances and the Schlesinger commitment of some months ago in order that the House may see what differences, if any, are contained in the United States commitments?

Mr. Trudeau: Madam Speaker, on the Schlesinger commitment, I think I made it clear at the time that the Secretary Schlesinger had told me verbally that we would not be wise to proceed with the pre-build if we did not have guarantees that the whole line would be built. So, I cannot table anything—that I can remember in my recollection—in writing from Secretary Schlesinger.

In so far as the other part of the question is concerned, yes, it is true we are trying to obtain at this moment further assurances which will permit us to make our mind up for the pre-build, if those assurances are forthcoming. Some of them are from the United States, and I must say that we are trying to get some view on this from the province of Saskatchewan.

We know that Alberta, the people of Alberta and the government, are strongly favourable to the pre-build. But over the past weeks we have not been able to reach anybody in a responsible position in Saskatchewan to say whether they—

Some hon. Members: Oh, oh!

Mr. Trudeau: —favour it or not.

Mr. Crosbie: Get on the telephone; try the telephone.

Mr. Trudeau: We have tried the telephone.

An hon. Member: Call collect.

Mr. Trudeau: Strange as it may seem—

Mr. Crosbie: Roy Romanow is in Toronto; Romanow is right in Toronto.

Mr. Trudeau: Madam Speaker, there is a loud-mouth over there who is really not being very helpful; I believe he is from St. John's Newfoundland. He should be reminded that he is sitting here now. He is not in St. John's trying to shout across the way. Perhaps the people of the New Democratic Party can help us get in contact with the premier or some responsible minister, but that is the situation.

Mr. Jarvis: Madam Speaker, the Prime Minister, likely inadvertently, did not indicate to us when that statement on motions will be made. Can he give us his target date for that?

Mr. Trudeau: Madam Speaker, we are meeting again at five o'clock. I indicated if the decision is reached I would hope we would have the consent of the House to make a statement on motions at eight o'clock.

Mr. Baker (Nepean-Carleton): You have it.

Mr. Trudeau: I have not said whether or not we will be able to reach a decision at this cabinet meeting at five. But if we do, certainly I would undertake to ensure that a statement on motions would be made. It would be made in the other place by Senator Olson if the House is sitting.

Some hon. Members: Shameful.

Mr. Trudeau: But certainly I would be happy to consult with the Minister of Energy, Mines and Resources to see that he would make a statement here in this place, too.

ALASKA GAS PIPELINE—DIFFICULTY IN REACHING DECISION ON CONSTRUCTION—EXPORT TAX

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a supplementary question for the Prime Minister. I wonder if he is able, without violating cabinet confidentiality, to enlighten the House as to what is the difficulty in arriving at this decision.

Some hon. Members: Oh, oh!

Mr. Andre: For what reason is there this apparent delay in coming to a decision? Can the Prime Minister assure us that it is not because he would like to await announcing the decision until after we have left?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the hon. member is aware of the nature of the problem posed to us; it has been discussed in this House for the past several days.

The first question is: are the guarantees we have received for the pre-build sufficient and complete for the pre-build now? The second question is: do we have sufficient guarantees that

the whole line can be built? Those are the terms on which condition 12 has been amended; I read them in the House yesterday.

● (1125)

As I have said many times, the government is weighing the evidence. We want to make sure that the pre-build is financed and that the whole line can be financed. This requires a certain amount of evidence, some of which we have obtained as of now from the U.S. Congress. Other parts and other assurances are still forthcoming, or hopefully will be forthcoming, and until we obtain them I do not want cabinet to reach a decision.

Mr. Andre: Madam Speaker, the Prime Minister indicated to the House yesterday that the economic benefit to Canada, the jobs that would be produced and the health of the junior Canadian gas producers, was very much on his mind as he contemplated this decision.

As he is aware, an equal and perhaps larger threat to the health of these junior gas producers is the possibility of a natural gas export tax. Could the Prime Minister give an assurance to the House now or, barring that, will he be assuring the producing provinces in the near future that the government is no longer contemplating a natural gas export tax? I am sure he would realize that granting the pre-build and imposing a natural gas export tax would neutralize the whole situation; in fact, it would result in a net loss to Canada as opposed to a benefit.

Mr. Trudeau: Madam Speaker, the hon. member is obviously expressing an opinion which is his own. The pre-builders themselves are not of this view. I can tell the House now there is no guarantee that there will never be an export tax. There has been one on oil since 1974, and we do not reject any possibility in advance. That is still to be negotiated and discussed. But if some of the pre-builders have the same confusion as the hon. member from Calgary, they had better tell us, because if they do not want to pre-build in the knowledge that this Canadian government might some day exercise its constitutional right to tax exports, they had better cease the discussion.

ALASKA GAS PIPELINE—FINANCIAL GUARANTEES FOR PRE-BUILD SECTION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Diane Hall, vice-president of Foothills Pipe Lines, the company that is going to build the pre-build, had this to say, as reported in the *Financial Times* for July 14, 1980:

> But we don't know in the end whether there will have to be an American government guarantee for the Alaskan portion or some kind of other comforts provided to the lenders by the U.S. government—

My question is simply this: if a senior officer of the company building the pipeline does not know whether financing can be obtained, how on earth can cabinet seriously consider that financing can be obtained?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have not read the statement from which the hon. member has just quoted.

Mr. Crosbie: Obviously.

Mr. Lalonde: Secondly, the National Energy Board is the agency that has to be satisfied that financing is to be obtained for the pre-build section and can be obtained for the rest of the section.

Mr. Crosbie: Cabinet.

Mr. Lalonde: Then the National Energy Board's recommendation goes to cabinet and cabinet has to make the decision.

Mr. Waddell: Madam Speaker, my supplementary is for the same minister. Perhaps the minister read the Report on Business this morning; in particular I am referring to Thomas Kennedy's article from Calgary where he quotes the industry's reaction to the pre-build as follows:

> —said industry concern centered on substantially more gas exports "as soon as possible" and little else.

Kennedy further reported that the western producers said:

> —they "have a vested interest" in delaying construction of the rest of the $20 billion—

He is referring to the northern part of the project. The article continues:

> —in order to sell more of their surplus gas south of the border.

My question to the minister is this: where does it stop, in view of his off-oil policy, substituting gas for oil in eastern Canada? Where will he draw the line now, if he approves the pre-build, in exporting all that Canadian gas to the United States and, of course, losing it for eastern consumers?

Mr. Lalonde: Madam Speaker, I am glad that the hon. member has indicated the condition: he said "if the pre-build is approved". So we have to carry the discussion on this hypothetical condition. Cabinet will make a decision, and until then I have to answer on the basis of a hypothesis.

● (1130)

As far as the question itself is concerned, I want to give the strongest assurance to the hon. member, the House and the country—

Mr. Crosbie: Ironclad?

Mr. Lalonde: Ironclad if you wish—that no export of gas will be approved by this government unless we have the complete assurance that there will be plenty of gas for all future Canadian needs under the formula which has been applied by the National Energy Board over the years. I hope that I have made it quite clear and that it is clearly understood.

As far as the Energy Board itself is concerned, and as the hon. member knows, it has approved and recommended the export of a certain quantity of gas which, in the view of the

Energy Board, is a surplus reserve. This does not include Arctic gas. In the view of the Energy Board, this gas can be exported without endangering the needs of Canadians in the future.

Moreover, the Energy Board has indicated that this export would be approved only for seven years. They have required that the depreciation of the pipeline be made over that period so that nobody, but nobody, should expect that if the pre-build were to be approved, there would be more gas flowing through that pre-build after the expiry of the permit provided for by the Energy Board. That is quite clear, and that is the view of this government.

Some hon. Members: Hear, hear!

Mr. Waddell: Madam Speaker, I thank the minister for his answer. I might point out that my constituents in British Columbia, a province which, incidentally, opposes the pre-build, remember the assurances which were made by his predecessor with regard to oil, that we would have lots of oil, but now we do not have lots of oil.

In the *Toronto Star*, July 16 issue, it was reported:

> Union leaders say they have rejected appeals from Northern Affairs minister John Munro to support the Alaska Highway gas pipeline because it would be a "sell-out" of Canadian natural resources and won't provide promised jobs.

What further assurances can the minister give the working people so that they will not have to settle for one-tenth of the loaf but, rather, they can have the whole loaf; in other words, they will have all the jobs in the whole project up to the north?

Mr. Lalonde: Madam Speaker, there are two elements to this question. With regard to the first one, I would like to quote a telegram which was sent on behalf of the Ontario steel workers:

> On behalf of the 100,000 members of the United Steel Workers of America in Ontario, I wish to add my voice to that of director Len Stevens, district No. 3, of the United Steel Workers of America urging the government to proceed with the Foothills, Alaska highway natural gas pipeline.

It is signed by Stewart Cook, district No. 6 director of United Steel Workers of America in Ontario. I have telegrams from the American Federation of Labour and other unions. That is what I have to say in so far as the views of labour are concerned.

Mr. Baker (Nepean-Carleton): They voted against the pipeline.

Mr. Lalonde: With regard to the other point, I would like to again state quite clearly that this government would consider approving the Foothills pipeline only if it were convinced that it would proceed as a part, and only as a part, of the total Alaska gas pipeline. We do not support, we do not favour, and we will not support the notion or concept of a stand-alone pre-build project.

Mr. Baker (Nepean-Carleton): Now you are talking.

ENERGY

NEED FOR CONSERVATION PROGRAMS TO ACHIEVE ENERGY SECURITY

Hon. David Crombie (Rosedale): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources. It concerns his responsibility to ensure energy security in this country.

As the minister, I am sure, is aware, yesterday the Ontario Economic Council indicated that our failure to deal with energy shortages in Canada could lead to, in their words, "open conflict between classes, regions and countries". I am sure the minister is also aware that the International Energy Agency report of a week ago indicated that Canada has the second worst record in the world with respect to developing good conservation programs.

Can the minister tell the House why his government has failed to develop good conservation programs so that we may decrease our reliance on foreign oil?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would remind the hon. member that the IEA report refers to the year 1979, when his government was in office.

Mr. Jarvis: Come on, Marc.

Mr. McDermid: Be careful now.

Mr. Crosbie: Be serious, Marc.

Mr. Lalonde: If hon. members will read the report, they will see the year to which it refers. Also, the IEA report examines only federal expenditures and compares them with other unitary countries in which expenditures are all concentrated within the national government. Under Canada's federal system, expenditures are divided between two levels of government at least.

An hon. Member: Pass the buck.

Mr. Lalonde: I would submit that it is quite inappropriate to compare the expenditures of a central government in a unitary state in which there is only one level of government with the expenditures of federal states such as Canada, and to try to make a comparison on the basis of such figures.

In so far as the other point raised by the hon. member is concerned, we have indicated consistently and recognized the need for the price of petroleum products to increase in this country. However, we disagree with the notion that they should be tied to international prices. This, by the way, is also the view of the Ontario government, as the hon. member well knows.

We believe that it is possible to achieve conservation and substitution without tying Canadian prices to international prices. While we recognize that prices must rise, much can be achieved by conservation and substitution without hurting the Canadian consumer to the extent of paying international prices.

Mr. Crombie: Madam Speaker, most Canadians have heard words for years now. I expect that most Canadians are interested in knowing what programs the minister has in mind with respect to renewable energy resources, particularly in the area of solar energy. We would like to hear what initiatives and what month, or even perhaps what year, the minister might announce those programs. Words alone are not enough.

Mr. Lalonde: Madam Speaker, we have already announced the intention to set up the alternative energy corporation as a subsidiary of Petro-Canada. The amount of $20 million has been assigned by Petro-Canada for that particular purpose. At the present time we are interviewing people to choose the person who will assume the function of chief executive officer of that corporation. I hope we will be able to make an announcement in that respect before long.

As far as broader measures are concerned which would go over and above those which have been announced by previous Liberal governments, I can advise the hon. member that we are working very actively on these measures. I hope that as soon as discussions on pricing are concluded we will be able to announce our program and plan of action, knowing what kind of resources the federal government can count on to fulfil its responsibilities in this particular area.

Mr. McDermid: Another Crown corporation; is that your answer to everything?

BUDGET FOR PROGRAM ON RENEWABLE RESOURCES

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Since the United States is spending $1.163 billion on renewable projects, and over $80 billion on synthetic fuels this year alone, whereas Canada will spend only $13 million, or less than that for this year, does the minister not believe that he is over-concentrating his proposed off-oil program on non-renewable energies, and is he not embarrassed by the small budget which has been allocated this year, given the urgent Canadian needs in energy?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): In a way, Madam Speaker, I would agree with the hon. member that the amount earmarked for the purpose he mentioned is indeed insufficient. I entirely agree with him. That is precisely why I hope we will obtain the support of all members of the House in the current negotiations on the review of the oil price so that the federal government, the national government, will be assured of all necessary resources to assume its responsibilities and thus help all Canadians attain energy self-sufficiency, so that Canada as a whole may quickly gain independence as far as oil products are concerned.

• (1140)

[*English*]

Mr. Schellenberger: A supplementary question, Madam Speaker. If we do not begin a reasonable solar program very quickly using the present technology, incentives and abilities that we have as Canadians, are we not just designating Canada as an importer of that technology and hardware, as was shown in a recent federal government PUSH program in Montreal where the solar panels could not be designated in Canada and had to be brought from the United States?

[*Translation*]

Mr. Lalonde: Once again, I will go further than my hon. colleague. His comments indicate the necessity for the Canadian government to have at its disposal much greater resources than in the past to assume its responsibilities in the energy field. Just the same, Canada is at the forefront, it is among the first countries for technology in the energy field, whether hydroelectricity or synthetic oil. Obviously, we also have excellent researchers working in the field of windmills and solar energy. It is clear, however, that we must grant much more support than ever to those energy sources. I would like to reassure the hon. member and tell him that this is truly part of our objectives. I thank him for his interest in that area.

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[*English*]

NORTHERN PIPELINES

ALASKA GAS PIPELINE—FINANCIAL GUARANTEES—SWAPS OF NATURAL GAS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources. I do not think there is any question that the guaranteed financeability of the entire Alaska gas pipeline is the main concern of this party and, I think, of many members of this chamber.

The second main question, however, is in relation to the swaps of Alaska natural gas. Since the minister and the Prime Minister have indicated that a decision is going to be made in about five hours regarding the gas pipeline, I would remind the minister of something he said on December 6, 1979, when he was obviously stating his priority:

> Second, there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline—

I wonder if the minister could tell the House and all Canadians whether he has anything in writing that he will be taking to cabinet this afternoon which indicates there is an agreement for swaps of Alaskan natural gas for gas that we would export through the pre-build.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): First of all, Madam Speaker, I should like to note with interest the support of the hon. member's party for the concept of an Alaska gas pipeline, because I am advised that his party voted against the pipeline in 1978.

Some hon. Members: Hear, hear!

An hon. Member: That's right.

Mr. Lalonde: If this represents a change of policy for his party, it is a welcome change and it is not the first time that this has happened. We are happy to see them on our side.

As far as the question that he has raised concerning the swaps is concerned, if there were to be a decision in favour of the pre-build, I would intend to comment on this particular matter if I were called upon to make a statement.

Mr. Fulton: Madam Speaker, I think a very interesting diversion was just attempted by the minister. I said that the prime concern of this party and of many members of this chamber is the guaranteed financeability of the entire gas pipeline. I think the whole question of credibility is something that people in this country would like to know about.

Not too long ago, one of the minister's predecessors said in this House that we had 900-odd years of oil and an endless supply of natural gas. I wonder if the minister would perhaps tell the other members of cabinet and members of this House, taking away the amount of natural gas that would be exported through the pre-build, how many years of surplus are known now in Canada of natural gas? How many years would it be before we would be in a negative position with no natural gas surplus?

Mr. Lalonde: Madam Speaker, I will be very happy to provide the exact figure to the hon. member in terms of an exact number of years. He has to realize, however, that the way it is being calculated at the present time by the Energy Board excludes the known and produceable reserves in the Arctic. I will have to ask the Energy Board, in order to answer his question—

An hon. Member: All frontier sources.

Mr. Lalonde: I will have to ask the Energy Board to provide me with the information for which he is asking. If it is possible to obtain it, I will be very happy to provide it to him in terms of the exact number of years.

Mr. Nielsen: You mean you don't know?

An hon. Member: How can you make a decision?

An hon. Member: I hope you know by five o'clock.

Mr. Lalonde: The NDP is again getting into a fit, I see, Madam Speaker. It is very simple. The formula that exists at the present time, and which the NEB applies, is a well-known one that is accessible to all hon. members. It is a formula that provides for at least 25 years of supply, I believe more like 29 or 30 years of guaranteed supply of known and accessible reserves, excluding the Arctic. That is the exact formula.

Mr. Nielsen: Sixty-six.

Mr. Lalonde: The hon. members asked a question of a more general nature—of all gas, how much we have.

Some hon. Members: Order.

Mr. Lalonde: I say the NEB has not calculated that to my knowledge, but I will inquire and give him the exact answer as soon as I have the information. The cabinet has the information in terms of the known reserves of—

Madam Speaker: Order, please.

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ENERGY

DEVELOPMENT OF COAL INDUSTRY IN NEW BRUNSWICK AND NOVA SCOTIA—POLLUTION CONTROL

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. In view of the commitment made by the Minister of Industry, Trade and Commerce to the House a couple of weeks ago to have the government assist in the development of the coal industry in New Brunswick and Nova Scotia, can the minister tell the House how much money his department has earmarked, or how much money the government has earmarked, for pollution control of potential coal-using facilities, and how quickly the government will move in implementing controls which will ensure an orderly transition to coal-utilizing facilities?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this question is being examined and reviewed at the present time. I would have to give the same answer to this question as I gave to the previous one concerning renewable energy: that is, we are waiting for the conclusion of our discussions on energy pricing before we will be in a position to know how much money will be available to the federal government to achieve the kind of purpose to which the hon. member is referring. Once this has been done, we will be able to let the house and the country know in a short time how much money will be available.

Mr. Corbett: Madam Speaker, my supplementary question deals with the estimation that the development of the coal industry in some parts of the east will triple sulphur emissions and the subsequent effects of acid rain.

The minister's colleague, the Minister of the Environment, lauded the Tory minister of the environment in Ontario as being courageous for his bold strides in implementing sanctions against Inco. Surely the minister does not want to be known in this House as being chicken, so I ask him to be more specific. Can he be more specific on dollars, dates and deadlines in order to ensure the growth of the coal industry in Nova Scotia and New Brunswick in an acceptable environmental fashion?

Mr. Lalonde: Madam Speaker, my hon. friend has referred to the laudatory comments that my colleague, the Minister of

the Environment, addressed to the environment minister of the province of Ontario. I wish he were in a position to make the same laudatory comment vis-à-vis the environment minister of the province of Nova Scotia, whom my hon. friend knows very well.

Obviously, the provinces have a big role to play in this respect and we are in consultation with them. The hon. member knows that as far as this type of pollution control itself is concerned, the provinces have a big role to play. As I indicated, we are examining the whole question at the present time in terms of how much money would be available out of a new oil pricing agreement. After that, we will be able to announce how much money is available to help the relevant provinces fulfil their responsibilities.

* * *

AGRICULTURE

ALLOCATION OF PETROLEUM FUELS TO AGRICULTURAL INDUSTRY—PRODUCTION OF GASOHOL

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a question for the Minister of Agriculture. The minister will be aware that last summer the Energy Supplies Allocation Board, in their revised manual on petroleum fuels allocation, removed agriculture from the top priority classification, which was the critical classification, and put it in the essential classification.

I should like to know from the minister how these priorities are determined. I would also ask him to use his persuasive powers, which we all agree are formidable, to see that agriculture is put back in the top priority classification list for agricultural usage across the country.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have done some checking. If the information that has been given to me is correct, there has never been any official documentation or recommendation given to the government that that position should be changed by the Energy Supplies Allocation Board.

● (1150)

I cannot say any more. That is a board that can make recommendations to the government. The government can either accept or not accept their suggestions. If the information I have is correct, it has never been submitted to the government.

Mr. Mayer: Madam Speaker, I have a question along the same lines for the Minister of Energy, Mines and Resources. It has to do with the announcement made about a month ago by Mohawk Oil that they would begin production in Canada, for the first time, of gasohol. This was accomplished largely by the province of Manitoba exempting the production of ethyl alcohol from some provincial taxes. Would the minister consider the same kind of removal of the 7 per cent excise tax from the production of alcohol, to encourage the production and thereby help us to become self-sufficient in liquid, portable fuels in Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I will be very happy to take under advisement the suggestion made by the hon. member. In fact, I can tell him that we are reviewing this whole situation of the new energy policy that we are developing.

I assume, hope and expect, that the task force which has been set up by this Parliament under the able leadership of the hon. member for Pontiac, I believe, will examine this question and that we will benefit from the advice that this task force will bring to us, since it would represent the views of all parties in this House.

* * *

[*Translation*]

PUBLIC SERVICE

ALLEGED PROBLEMS OF SALARIES AT SAINTE-ANNE-DE-BELLEVUE, QUEBEC

Mrs. Thérèse Killens (Saint-Michel): Madam Speaker, my question is directed to the President of the Treasury Board. Several of my electors have informed me of the difficulties they have experienced with regard to the services at the veterans' hospital in Sainte-Anne-de-Bellevue. The patients in that institution have been deprived of basic care due to staff shortages. It seems that nurses working in federal institutions are earning less than their counterparts in other institutions. Can the President of the Treasury Board tell the House whether he has taken steps to remedy the situation?

Hon. Donald J. Johnston (President of Treasury Board): Madam Speaker, I thank the hon. member for her question. We are dealing here with a rather difficult situation which stems from the regional inequalities that exist throughout Canada with regard to nurses who work for the federal government.

[*English*]

I would like to assure hon. members that we are looking into the situation. There is a mediator.

Mr. Stevens: You are studying everything.

Mr. Johnston: We are doing everything. Unfortunately, my predecessor offered a mandate of 8 per cent to the people who were 40 per cent behind the market.

Some hon. Members: Shame.

Madam Speaker: Order, please.

Mr. Johnston: I would just like to add that, in keeping with our philosophy of ensuring that people in the public service are paid on a basis comparable to those in the private sector, we will be making a settlement which may be perceived as being

more generous than usual, but it will be in order to meet that philosophy of comparability across this country.

Mr. Stevens: Another CUPW.

Mr. Johnston: I might add, Madam Speaker—

[*Translation*]

—that those nurses are working under extremely difficult conditions, for instance, in isolated areas. There is a problem, and we shall solve it soon, equitably and fairly.

* * *

[*English*]

ENERGY

PROGRAM TO DEVELOP SOURCES ALTERNATE TO OIL

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In the Speech from the Throne the government promised steps to encourage more rapid substitution from oil to other energy sources in order to substantially reduce the dependence which we have on oil. Also, we were promised policies to encourage consumers to switch from oil to natural gas, electricity or some other form of alternate energy.

Other members and I have had requests from industry and consumers to make that switch easier. They want the policy. They want the steps. Can the minister tell this House what the government is doing now, today, to make those promises come true with regard to alternate energy sources and the ability to switch from oil to other sources?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the first step has been taken. Very soon after the appointment of this government, it was announced that accessibility to natural gas would be extended east of Montreal, at least as far as Quebec City, with branch lines covering the rest of the province of Quebec.

[*Translation*]

As for the other measures to be announced, as I have said, we have already announced that the government has approved the extension of the natural gas pipeline to Quebec City in order to serve the Quebec population. We have also indicated that the extension of the natural gas pipeline to the Maritimes remains a top priority of the present government. We are also in the process of studying several other measures which should be announced in the near future, provided we have been able to reach an agreement on oil prices, which will represent increased revenues for the federal government and enable it to give Canadian consumers the help they need to speed up the switch from oil to other forms of energy.

[*English*]

HOUSING

ENCOURAGEMENT OF HIGHER STANDARDS OF HOME INSULATION

Mr. Doug Lewis (Simcoe North): Madam Speaker, I wish to direct my supplementary question to the minister of housing. Summer and fall are high activity periods for home insulation. In the Speech from the Throne, promises were made. What measures has the government taken to encourage the higher standards of home insulation that were talked about in the Speech from the Throne? Second, when will the government announce the improvements promised to the existing home insulation program?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the president of Canada Mortgage and Housing Corporation recently asked for support of the government in additional funding for insulation purposes to ensure that at least the present levels of funding are continued for that program. Second, in the area of standards generally, I indicated in a response earlier that the Canadian Standards Association hopes by the end of this month to have completed a review on the whole question of the standards, qualifications, adequacy, etc., and that report I think will be coming shortly.

* * *

NORTHERN PIPELINES

ALASKA GAS PIPELINE—CONSTRUCTION OF ALASKA SECTION—DEBATE THEREON

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is to the Prime Minister. It concerns the natural gas sell-out. Since we have no more guarantees today than we had in 1978, and since apparently nothing exists in writing from the United States to guarantee the matters of swaps, completion date, or financing, can the minister, first, tell the House when the Alaskan section will be built? Has he anything in writing?

Finally, since this is a matter of extreme importance to the people of Canada, and since there is some question about the prudence of proceeding at this point, can the Prime Minister assure this House that he will come before the people's elected representatives and discuss this major issue in a very, very serious way, and not do it in a manner which he is entitled to do by the law but would be imprudent to proceed with—in fact, contemptuous to proceed in that way.

● (1200)

Right Hon. P. E. Trudeau (Prime Minister): I cannot speak for the other side of the House, but as far as we on this side are concerned we have been doing exactly what the hon. member suggests, discussing it in a very serious way both in the House and in cabinet, and by making sure that every piece of evidence, both pro and con, is studied with care.

REQUEST THAT NORTHERN PIPELINE ACT BE AMENDED

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is for the Prime Minister. Normally, when something of this magnitude is done, there is an amending bill. Will the Prime Minister consider bringing in an amending bill?

Since there is a real problem in this country over this project, having to do with future energy supplies, the price of energy, jobs and the economy in general, has the Prime Minister considered, instead of building this line to the United States, using the same amount of financing to extend the pipeline to serve the people of Atlantic Canada?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker. The minister and the government have indicated several times that it is one of its policies to extend the pipeline from Quebec City, the section which is to be built now, to the maritimes. But for that we need the permission and co-operation of the maritime provinces, and we have to make sure that the markets are there and that they exist. This is the discussion which is going on now.

As the hon. member knows, the National Energy Board has been seized with an application to proceed with the Quebec and maritimes pipeline and the evidence is being gathered now. We are as anxious as any party in this House to see that that line is built through to the Atlantic, but we need the co-operation of the provinces and we need the authority of the National Energy Board giving us the assurance that it can be financed.

* * *

PRIVILEGE

MR. FULTON—ANSWER OF MINISTER OF ENERGY DURING QUESTION PERIOD

Mr. Jim Fulton (Skeena): Madam Speaker, my question of privilege concerns the Minister of Energy. In response to my supplementary question, he stated that the New Democratic Party had voted against the construction of the northern pipeline. I would quote from page 4123 of *Hansard* for April 4, 1978, where Mr. Cyril Symes said:

I want to reiterate the stand of the New Democratic Party in favour of the building of the northern gas pipeline, the Alcan pipeline as it is called.

Our concerns and, indeed, our reasons for voting against the bill that we have before us—

Some hon. Members: Oh, oh!

Mr. Fulton: He continued:

—are that we feel it is inadequate and it does not represent the true interests of Canadians and Canadian companies.

An hon. Member: You opposed it.

Some hon. Members: Hear, hear!

Message from the Senate

Madam Speaker: Order. I am in the habit of listening to what the member has to say when he raises a question of privilege. I cannot rule upon it before I have listened to it. That is what I was doing. I would ask the hon. member to be brief, as he usually is, and to try to indicate to me how his question of privilege arises.

Mr. Lalonde: There is none.

Mr. Fulton: The point I was trying to make was that the Minister of Energy indicated that the New Democratic Party was opposed to the construction of the pipeline, which is not true. What I said in my question to the minister was that our prime concern was the financial viability of the entire line.

Madam Speaker: I understand very well that the hon. member wished to get some corrections on the record, but obviously this does not constitute a question of privilege. Rather, it is a grievance he is expressing. He has done this by way of a question of privilege, which he knows is not the proper way to indicate that he is not in agreement with the answer he received from the minister.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, would the government House leader tell us about the business he intends to bring before the House for today and tomorrow? We know that today is to be devoted to the throne speech debate, of course, but I am thinking more of tomorrow.

[*Translation*]

Mr. Pinard: Madam Speaker, tomorrow we intend to introduce the motion for the adjournment of the House. If there is no debate or if the motion is agreed to, we shall adjourn as soon as it is adopted.

* * *

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-30, to provide supplementary borrowing authority for the fiscal year 1980-81, without amendment.

I also have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill S-8, to revive Pyramid Communications Limited, to which the concurrence of this House is desired.

The Royal Assent

THE ROYAL ASSENT

[*Translation*]

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

July 17, 1980

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of July, at 12 o'clock, for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate Chamber.

● (1210)

And being returned:

Madam Speaker informed the House that when the House went up to the Senate chamber, the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-30, an act to provide supplementary borrowing authority for the fiscal year 1980-81—Chapter No. 18;

Bill C-40, an act to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowances Act and the Civilian War Pensions and Allowances Act—Chapter No. 19;

Bill C-5, an act to amend the Bretton Woods Agreements Act—Chapter No. 20;

Bill C-268, an act to change the name of the electoral district of Saint-Hyacinthe—Chapter No. 21;

Bill C-402, an act to change the name of the electoral district of Sarnia—Chapter No. 22;

Bill C-488, an act to change the name of the electoral district of Rimouski—Chapter No. 23;

Bill C-529, an act to change the name of the electoral district of Hastings-Frontenac—Chapter No. 24;

Bill C-565, an act to change the name of the electoral district of Notre-Dame-de-Grâce—Chapter No. 25;

Bill C-599, an act to change the name of the electoral district of Berthier-Maskinongé—Chapter No. 26;

Bill C-600, an act to change the name of the electoral district of Cochrane—Chapter No. 27;

Bill C-601, an act to change the name of the electoral district of Argenteuil—Chapter No. 28;

Bill C-602, an act to change the name of the electoral district of Verdun—Chapter No. 29;

Bill C-604, an act to change the name of the electoral district of Sainte-Marie—Chapter No. 30;

Bill C-605, an act to change the name of the electoral district of Mercier—Chapter No. 31;

Bill C-606, an act to change the name of the electoral district of Richmond—Chapter No. 32;

Bill C-608, an act to change the name of electoral district of Montmorency—Chapter No. 33;

Bill C-609, an act to change the name of the electoral district of Laprairie—Chapter No. 34.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL RESOURCES AND PUBLIC WORKS

SECOND REPORT OF STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS

Mr. Ian Watson (Châteauguay): Madam Speaker, I have the honour of tabling the second report of the Standing Committee on Natural Resources and Public Works. If the House so agrees, I shall move adoption of that report later on in the day.

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

* * *

PENSIONS

TABLING OF FOUR REPORTS OF ADVISORY COMMITTEE ON CANADA PENSION PLAN

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, under Standing Order 41(2), I wish to table, in both official languages, four reports of the Advisory Committee on the Canada Pension Plan.

● (1220)

[*English*]

The titles are as follows: Retirement Ages; Indexation of Benefits; Minimum Contributory Requirements for Survivors and Disability Benefits; and Appeal Procedures.

PENITENTIARIES

TABLING OF ANNUAL REPORT OF THE CORRECTIONAL INVESTIGATOR

Hon. Bob Kaplan (Solicitor General): Madam Speaker, pursuant to Standing Order 41(2), I should like to table, in both official languages, the annual report of the Correctional Investigator, 1978-79.

* * *

EXTERNAL AFFAIRS

TABLING OF INTERNATIONAL AGREEMENTS

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I should like to table, in both official languages, a number of international agreements which have entered into force for Canada.

* * *

[*Translation*]

HUMAN RIGHTS

TABLING OF DOCUMENTS ON RECOGNITION OF EQUAL RIGHTS FOR INDIAN WOMEN

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Madam Speaker, under Standing Order 41(2), I should like to table a document entitled: Declaration of Solidarity of Canadian Women Parliamentarians to recognize equal rights for Indian women.

* * *

[*English*]

EXTERNAL AFFAIRS

INTERNATIONAL AGREEMENTS APPENDED TO "HANSARD"

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, the Secretary of State for External Affairs (Mr. MacGuigan) just now tabled a number of agreements between Canada and foreign countries. I wonder if at least a list of those agreements which are tabled might be appended to today's *Hansard*, so that there is a record of what agreements there are, and with what countries.

Hon. Mark MacGuigan (Secretary of State for External Affairs): That certainly would be agreeable, Madam Speaker.

Madam Speaker: Is it agreed that they be tabled and appended to today's *Hansard*?

Some hon. Members: Agreed.

Madam Speaker: It is so ordered.

[*Editor's Note: For agreements referred to, see Appendix "A".*]

Post Office Act

HUMAN RIGHTS

DOCUMENT ON RECOGNITION OF EQUAL RIGHTS FOR INDIAN WOMEN APPENDED TO "HANSARD"

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise on a similar point of order. In view of the general interest in the declaration just tabled by the Parliamentary Secretary to the Solicitor General (Mrs. Hervieux-Payette), I wonder if it could be agreed that it also be printed as an appendix to today's *Hansard*.

Madam Speaker: Is that agreed?

Some hon. Members: Agreed.

Madam Speaker: It is ordered to be appended.

[*Editor's Note: For document referred to, see Appendix "B".*]

* * *

[*Translation*]

POST OFFICE

MEASURE TO AMEND

Hon. André Ouellet (for the Prime Minister) moved for leave to introduce Bill C-42, to establish the Canada Post Corporation, to repeal the Post Office Act and other related Acts and to make related amendments to other Acts.

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

* * *

[*English*]

POINT OF ORDER

MR. McKINNON—COMMITTEE STUDY OF NORAD AGREEMENT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on a point of order. I wonder if I could ask the parliamentary secretary the usual question on House business with regard to the NORAD renewal. It was my understanding that today we were going to have a request to refer the matter of the NORAD renewal to committee.

Madam Speaker: Order, please. We will come back to the hon. member's point of order later. We were dealing with another matter. I will come back to the hon. member later for orderly proceedings.

* * *

[*Translation*]

POST OFFICE

MEASURE TO AMEND

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I under-

stand it is difficult for Parliament to discuss fully this legislation at this moment, but I had discussions with both House leaders of the opposition parties who assured me of their co-operation to facilitate the passage of this bill in the fall.

Thus I hope hon. members on both sides of the House will take advantage of the summer to familiarize themselves with this legislation and that very soon we will have a Crown Post Corporation in Canada.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I think it is a case where all parties of the House of Commons have expressed themselves in favour of the principle of the Post Office being made into a Crown corporation, which I gather is the intent of the bill introduced today.

As the minister said, we have not had an opportunity to look at the details of this bill, which I have heard described at least as being somewhat different from the bill which was put forward by our government. I want to assure the minister that there will be no untoward debate, but any binding, ironclad commitment—to use a phrase that has become famous in the House—would have to await the study of the bill. I hope that is of some assurance to him.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, we are happy to give the same assurance. We hope that this bill can be dealt with as soon as possible.

* * *

[*Translation*]

ACCESS TO INFORMATION

MEASURE TO AMEND CERTAIN ACTS

Hon. Francis Fox (Secretary of State and Minister of Communications) moved for leave to introduce Bill C-43, to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other acts in consequence thereof.

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

* * *

[*English*]

POINT OF ORDER

MR. McKINNON—COMMITTEE STUDY OF NORAD AGREEMENT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on the point of order on which I have already spoken. I wonder if the President of the Privy Council (Mr. Pinard) has had time to think about it, and could tell me about item No. 4, on page 9 under government business on the order paper?

My understanding is that it was to be brought forward today. If we do not settle it before the adjournment, it will deprive us of an opportunity to do some planning in the Standing Committee on External Affairs and National Defence to reconsider this NORAD agreement.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if I can have agreement to have this motion passed without debate today, I would be glad to propose it. If there is no such agreement today, I will be glad to speak to the Minister of National Defence (Mr. Lamontagne) and to the hon. member and try to reach some kind of agreement for tomorrow, if possible. But I cannot give a guarantee. If I can have the assurance that there will be no debate at all, there would be no problem and the motion could be passed by this House.

Mr. McKinnon: I can give the President of the Privy Council the assurance, on behalf of our party, that five minutes will be all that is required for debate of this item.

Mr. Pinard: Madam Speaker, I will speak to the Minister of National Defence. I would also like to give him a chance to say a word if he is here tomorrow. He is not here today, so obviously the item cannot be brought forward today.

* * *

NATIONAL RESOURCES AND PUBLIC WORKS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Ian Watson (Châteauguay) moved that the second report of the Standing Committee on National Resources and Public Works, presented to the House earlier this day, be concurred in.

He said: Madam Speaker, I want to mention that there have been consultations with the House leaders and there has been agreement on their part.

Madam Speaker: The House has heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

THE QUEEN MOTHER

CONGRATULATIONS ON EIGHTIETH BIRTHDAY

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I wonder whether item No. 15, at page 10 of today's order paper, standing in the name of the Prime Minister (Mr. Trudeau), is to be brought forward today.

Hon. Yvon Pinard (President of the Privy Council): The motion is in the name of the Prime Minister. I think it would be preferable if we were to wait until tomorrow. It is certainly our intention to introduce this motion before the summer break, so obviously it will have to be brought forward tomor-

row. If the Prime Minister is not here tomorrow, I will see to it that somebody else brings it forward.

● (1230)

I should like to say that obviously this will be done if there is agreement that there will be no debate at all. I do not expect any debate on this kind of motion.

Madam Speaker: With the permission of the House, we will proceed to questions on the order paper.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 72, 97, 107, 151, 246, 684, 685, 686, 688 and 697.

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

[*Text*]

CANADIAN MINT—ISSUANCE OF PAPER MONEY

Question No. 72—**Mr. Cossitt:**

1. In each of the past five years, what value, by denomination, of paper money was issued by the Mint and what was the over-all total for the years?

2. What was the cost of production?

3. What was the face value of paper money withdrawn from circulation and destroyed?

4. What is the present estimate in circulation of (a) $1 bills (b) $2 bills (c) $5 bills (d) $10 bills (e) $20 bills (f) $50 bills (g) $100 bills (h) $1,000 bills?

Hon. Pierre Bussières (Minister of State, Finance): 1. The Royal Canadian Mint is not responsible for the issuing of paper money in Canada. Notes issued by the Bank of Canada as at December 31, in each year, were as follows (thousands of dollars):

Denomination	1975	1976	1977	1978	1979
$1	216,747	220,112	234,887	245,366	257,372
$2	161,901	166,723	179,204	188,520	198,948
$5	352,313	353,513	373,944	385,831	397,558
$10	1,135,514	1,142,928	1,196,364	1,254,866	1,282,072
$20	3,303,249	3,562,128	3,933,577	4,280,950	4,561,833
$25	46	46	46	46	46
$50	485,584	580,126	678,710	800,487	931,895
$100	1,451,646	1,587,884	1,816,263	2,114,160	2,382,804
$500	25	25	24	24	24
$1000	163,141	186,683	212,648	256,575	289,321
Total	7,270,166	7,800,166	8,625,667	9,526,825	10,301,873

2. Bank note costs in each of the past five years follows: (thousands of dollars)

1975	1976	1977	1978	1979
12,126	14,948	14,043	15,243	18,685

3. The value of paper money withdrawn in each of the past five years follows: (thousands of dollars)

1975	1976	1977	1978	1979
2,270,587	2,937,564	3,101,647	3,098,283	3,354,406

4. The estimate of the number of notes in circulation as at December 31, 1979, by denomination, follows: (thousands)

$1	257,372
$2	99,474
$5	79,512
$10	128,207
$20	228,092
$50	18,638
$100	23,828
$1000	289

PROPERTY—YORK STREET—OTTAWA

Question No. 97—**Mr. Cossitt:**

1. What has been the total cost to the taxpayer, of the government-owned property at 10-12-18 York Street, in connection with the building, including acquisition, architects' fees, renovations, purchasing of contents and all other items whatsoever?

2. Does the National Capital Commission plan to rent the premises to Canterbury Foods Limited of Toronto, Ontario, to operate a restaurant known as the Crock and Block and, if so, what are all of the important terms of the proposed lease?

3. Will Canterbury Foods Limited pay the government for approximately $50,000 worth of foreign wines purchased by the government from public funds for use by the originally planned lessee, By-York Developments Ltd. and (a) if so, what will be the purchase price (b) if not, what does the government plan to do with the wine and has any disposal of wine to this date been in accordance with the regulations of the Liquor Control Board of Ontario?

4. Did the arrangements for leasing to By-York Developments Ltd. cease and, if so, what is the total amount of additional funds put into the project by the National Capital Commission before the rental to Canterbury Foods Limited?

5. With respect to approximately $50,000 of public expenditure on antiques to be placed at the restaurant, will these be retained under government ownership and, if not, will they be sold to the lessee and, if so, for what amount?

6. What is the estimated time that it will take the NCC to recover from a new lessee, all public funds spent to date or still to be spent, on this venture?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. $5,880,291.

2. A portion of the premises has been rented to Canterbury Foods Limited of Toronto, for the operation of a restaurant. The lease is for 40 years including the original term of 10 years and two (2) lease renewal options of 10 and 20 years. The annual rent is $100,000 plus percentage rents on gross revenue in excess of $2.5 million.

3. The successful tenderer, Canterbury Foods Limited, will not be purchasing the wine from the commission. Since the Liquor Licence Board of Ontario had informed the commission that it could not sell the wine to any other licensee or private individual, and that an intergovernmental transfer of the wine would be acceptable to the board, the National Capital Commission made arrangements to dispose of the wine to other federal government departments and agencies. The wine has

now been fully disposed of to other federal government departments.

4. Yes. The arrangements for leasing to By-York Development did cease. To date, $188,779 has been spent by the commission to finish the common and public areas of the building. It is anticipated that further expenditures of $7,000 will be required.

5. The artifacts placed at and incorporated in the construction of the leased premises will be retained under government ownership and will not be sold to the lessee.

6. At this time it is not possible to estimate the date of recovery as only part of the building has been leased.

CURRENCY IN CIRCULATION

Question No. 107—**Mr. McKenzie:**

What is the total amount of cash in circulation in Canada outside of banks and other financial institutions?

Hon. Pierre Bussières (Minister of State (Finance)): As at March 31, 1980, the amount of currency circulating outside banks was $9,077 million, consisting of $8,120 million of Bank of Canada notes and $957 million of coin. Currency holdings of other financial institutions are not available and are included in the figures provided above.

EASTERN ONTARIO SUBSIDIARY AGREEMENT—FUNDS FOR LEEDS-GRENVILLE

Question No. 151—**Mr. Cossitt:**

Since December 12, 1979, under the Eastern Ontario Subsidiary Agreement, what was the total amount of funds committed to date and what is the total amount under consideration for the Constituency of Leeds-Grenville?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: From December 20, 1979, to April 14, 1980, a total of $5,904,538 was committed by the federal and Ontario governments under the various program areas of the Eastern Ontario Subsidiary Agreement.

There is at this time no authorization of funds in support of projects specific to the Leeds-Grenville constituency. However, a number of municipal outlet drainage projects are under consideration for near future implementation in the constituency area. It is estimated that the total cost of these drains during the 1980-81 fiscal year could amount to approximately $125,000.

INTERNATIONAL DEBT—FOREIGN BORROWING

Question No. 246—**Mr. Herbert:**

1. In each of the past five years, what was the net increase in foreign borrowing of (a) the government (b) the provincial governments and their agencies (c) the municipalities (d) Canadian companies?

2. As a percentage of the gross national product, what was the country's net international debt (a) in 1966 (b) for the latest date for which such information is available?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: 1. The net increase of foreign borrowing in each of the past five years by sector is shown in the accompanying table.

Sector	1975	1976	1977	1978	1979
			($ billions)		
(a) Government of Canada	0.2	0.8	0.5	4.0	0.6
(b) Provincial governments and their agencies	3.1	4.9	2.9	2.4	1.6
(c) Municipalities	0.4	0.7	0.6	0	0
(d) Canadian companies (non bank)	1.7	4.2	2.2	2.0	3.1

2. As a percentage of the gross national product the country's net international debt was:

(a) in 1966—38.8 per cent (b) in 1979—26.5 per cent.

CIDA—LOAN TO THE AFRICAN DEVELOPMENT BANK

Question No. 684—**Mr. Clarke:**

1. With reference to the loan made to the African Development Bank through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, under what authority was the loan made?

2. (a) How many paid-in shares of the bank does Canada own and what is their current value (b) what was the original cost of purchasing all of the shares (c) how many callable shares is Canada committed to for the bank and what is their current value?

3. For the fiscal year (a) 1975 (b) 1976 (c) 1977 (d) 1978, which countries received loans and what is their present status?

4. (a) For the same years, what non-governmental organizations received loans from the bank (b) what was their value in each fiscal year (c) what is the present status of the loans?

5. What are the stated aims of the bank?

6. Which other countries hold shares in the bank?

7. What percentage of all of the paid-in shares does Canada own?

8. What percentage of all of the callable shares is Canada committed to?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. With reference to the loan made to the African Development Bank through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, the loan was made under the authority of his Excellency the governor general in council (P.C. 1976-505) pursuant to External Affairs vote L35, 1976-77.

2. (a) Canada owns no paid-in shares in the African Development Bank

(b) Not applicable

(c) Not applicable.

3. See next page.

4. (a) None of the loans from the bank were awarded to non-governmental organizations for the same years

(b) Not applicable

(c) Not applicable.

5. The stated aims of the Bank are to contribute to the economic and social progress of its Member States, individual-

ly and jointly, by financing investment projects and programmes which promote the economic and social development of Member States, giving priority to those which benefit several Member States simultaneously, render their economies increasingly complementary, and bring about an orderly expansion in their foreign trade. To achieve this purpose, the Bank is authorized to select and promote appropriate projects, mobilize medium and long-term capital resources both in and outside Africa and provide technical assistance.

6. All independent African states are members of the Bank. No non-African states are members.

7. Not applicable.

8. Not applicable.

3. The following table shows which countries received loans from the African Development Bank for the following years: 1975, 1976, 1977, 1978 and 1979. With regard to the present status of these loans, 42.6% of the African Development Bank loans were disbursed, as at December 31, 1979.

African Development Bank Loan Approvals
by Country
(U.S. $million)

Countries	1975	1976	1977	1978	1979
Algeria		6.0	6.0	6.5	
Benin	4.8	3.4		6.5	
Botswana				0.84	10.5
Cameroon	5.2	6.8	6.0		7.8
Chad			2.7		
Congo	3.0	6.0		13.0	18.9
Egypt	6.0		12.1		10.5
Ethiopia					8.5
Gabon	4.8	6.0		13.0	
Gambia	2.4				11.7
Ghana	9.8	3.4	8.9		10.5
Guinea		1.8	0.85	6.5	
Guinea Bissau				1.3	
Equatorial Guinea				8.5	0.6
Ivory Coast	6.0	2.4	12.1		10.5
Kenya	3.6	3.6	11.0	6.5	17.1
Lesotho					10.5
Liberia	7.0	2.1	8.6	5.4	8.1
Madagascar					6.5
Malawi	6.0		17.8		
Mali			6.0		
Mauritania	0.96	9.6		6.5	6.5
Mauritius	7.2	3.2	6.0	2.0	10.5
Morocco				19.5	20.5
Mozambique				6.5	10.5
Niger			8.5		5.7
Rwanda				4.2	
Senegal	5.9	3.4	6.0		8.1
Seychelles				4.8	
Sierra Leone	.72		3.6	1.8	
Sudan				5.9	
Swaziland	1.0	6.0	11.5		
Tanzania			3.6		19.7
Togo		6.0	4.6	2.6	
Tunisia	10.5	3.6	5.0	6.5	21.0
Uganda	4.2	6.0		6.5	
Zaire	8.0	1.2	6.0	18.2	15.0
Zambia	6.0			12.7	10.5
Multinational		15.9	6.0	39.0	
Totals	103.08	96.4	152.85	204.74	259.7

Order Paper Questions

CIDA—LOAN TO THE AFRICAN DEVELOPMENT BANK II

Question No. 685—**Mr. Clarke:**

1. With reference to the loan made to the African Development Bank II through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, under what authority was the loan made?

2. (a) How many paid-in shares of the bank does Canada own and what is their current value (b) what was the original cost of purchasing all of the shares (c) how many callable shares is Canada committed to and what is their current value in Canadian dollars?

3. For the fiscal year (a) 1975 (b) 1976 (c) 1977 (d) 1978, which countries received loans from the bank and what was the value in each case?

4. For the same years, what loans were made to non-governmental organizations?

5. (a) Of the total of all paid-in shares, what percentage does Canada own (b) who are the other major shareholders?

6. Of the total of all callable shares, what percentage does Canada own?

7. What is the special, stated, objective of the bank?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. With reference to the loan made to the African Development Bank II through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, the loan was made under the authority of his Excellency the governor general in council (P.C. 1973-1481) pursuant to External Affairs Vote L35, 1973-74.

2. (a) Canada owns no paid-in shares in the African Development Bank II.

(b) Not applicable.

(c) Not applicable.

3. See list below.

4. None.

5. (a) Not applicable.

(b) All independent African states are members of the bank. No non-African states are members.

6. Not applicable.

7. The objective of the bank is to contribute to the economic development and social progress of its members individually and jointly.

3. The following table shows which countries received loans from the African Development Bank for the following years: 1975, 1976, 1977, 1978 and 1979. With regard to the present status of these loans, 42.67 per cent of the African Development Bank loans were disbursed, as at December 31, 1979.

African Development Bank Loan Approvals
by Country
(U.S. $million)

Countries	1975	1976	1977	1978	1979
Algeria		6.0	6.0	6.5	
Benin	4.8	3.4		6.5	
Botswana				0.84	10.5
Cameroon	5.2	6.8	6.0		7.8
Chad			2.7		
Congo	3.0	6.0		13.0	18.9
Egypt	6.0		12.1		10.5
Ethiopia					8.5
Gabon	4.8	6.0		13.0	
Gambia	2.4				11.7

Order Paper Questions

African Development Bank Loan Approvals by Country (U.S. $million)

Countries	1975	1976	1977	1978	1979
Ghana	9.8	3.4	8.9		10.5
Guinea		1.8	0.85	6.5	
Guinea Bissau				1.3	
Equatorial Guinea				8.5	0.6
Ivory Coast	6.0	2.4	12.1		10.5
Kenya	3.6	3.6	11.0	6.5	17.1
Lesotho					10.5
Liberia	7.0	2.1	8.6	5.4	8.1
Madagascar					6.5
Malawi	6.0		17.8		
Mali			6.0		
Mauritania	0.96	9.6		6.5	6.5
Mauritius	7.2	3.2	6.0	2.0	10.5
Morocco				19.5	20.5
Mozambique				6.5	10.5
Niger			8.5		5.7
Rwanda				4.2	
Senegal	5.9	3.4	6.0		8.1
Seychelles				4.8	
Sierra Leone	.72		3.6	1.8	
Sudan				5.9	
Swaziland	1.0	6.0	11.5		
Tanzania			3.6		19.7
Togo		6.0	4.6	2.6	
Tunisia	10.5	3.6	5.0	6.5	21.0
Uganda	4.2	6.0		6.5	
Zaire	8.0	1.2	6.0	18.2	15.0
Zambia	6.0			12.7	10.5
Multinational		15.9	6.0	39.0	
Totals	103.08	96.4	152.85	204.74	259.7

CIDA—LOAN TO CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

Question No. 686—**Mr. Clarke:**

1. With reference to the loan made to the Central American Bank for Economic Integration through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, under what authority was the loan made?

2. (a) What is the present value of all paid-in shares in the bank (b) who are the major holders of these shares?

3. In which countries does the bank operate?

4. In the fiscal year (a) 1977 (b) 1978, to what non-governmental organizations did the bank provide loans?

5. For the same years, which governments received loans from the bank?

6. What percentage of the total of all paid-in shares in the bank are held by Canada?

7. By percentage, who are the major shareholders of the bank?

8. (a) On what date is the loan due to be repaid (b) what percentage of it is forgiveable (c) what interest is being paid annually?

9. What are the special objectives of the bank?

10. What percentage of the total of all callable shares has Canada committed itself to buy and at what value?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. With reference to the loan made to the Central American Bank for Economic Integration (CABEI) through the Inter-American Development Bank (IDB) detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, the loan was made under the authority of his Excellency the governor general in council (PC 1964-1826), 1964.

2. (a) The value of paid-in shares totalled U.S. $47,500,000 in 1976.

(b) The major holders of these shares are the member countries: Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.

3. In the five member countries.

4. (a) and (b) No information available.

5. The governments of the member countries.

6. Zero per cent.

7. The member countries own 22 per cent of the share-capital.

8. (a) The first payment was made on October 26, 1977; the final payment is due on April 26, 2017.

(b) None.

(c) The annual interest is 0 per cent.

9. The objectives of the bank are to promote the integration and the economic development of the member countries by financing:

(a) infrastructure projects;

(b) regional industries;

(c) agricultural projects;

(d) production modernization projects;

(e) projects to improve the common market.

10. Zero per cent.

CIDA—LOAN TO ANDEAN DEVELOPMENT CORPORATION

Question No. 688—**Mr. Clarke:**

1. With reference to the loans made to the Andean Development Corporation through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, under what authority was the loan made?

2. What is the present value of all shares in the corporation?

3. What is the current value of any shares held by Canada?

4. Who are the major shareholders?

5. In which countries does the corporation operate?

6. What are the special objectives of the corporation?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. With reference to the loan made to the Andean Development Corporation through CIDA detailed at page 8.67, volume I of the 1977-78 Public Accounts of Canada, the loan was made under the authority of His Excellency the governor in council (PC 1973-2489) pursuant to External Affairs vote L30 1973-74.

2. The Andean Development Corporation has an authorized capital of U.S. $400 million of which the subscribed capital is U.S. $300 million which breaks down as follows:

—paid-up capital, U.S. $25 million

—capital to be paid-up, U.S. $75 million

—callable capital, U.S. $200 million.

3. Canada holds no shares in the Andean Development Corporation.

4. The major shareholders are the member governments of the Andean Pact countries: Peru, Colombia, Venezuela, Bolivia and Equador.

5. In Peru, Colombia, Venezuela, Bolivia and Equador and lends in all countries except Venezuela.

6. The purposes of the Andean Development Corporation are to encourage economic integration, to promote trade within the area and encourage foreign investment. The special and particular objectives of the Andean Development Corporation are to:

—identify investment opportunities

—provide technical assistance

—promote capital and the transfer of technology

—grant loans, provide pledges and endorsements and guarantees

—promote the organization of enterprises, their expansion, modernization or conversion.

CONSUMER AND CORPORATE AFFAIRS—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 697—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Consumer and Corporate Affairs for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Seven.

2. (a) Six; (b) one; (c) nil.

3. None.

4. $105,548.96.

* * *

[*English*]

POINT OF ORDER

MR. COSSITT—ORDER PAPER QUESTIONS UNANSWERED

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, in view of the fact the House will be adjourning shortly for the summer, presumably tomorrow, I think it is in order for me to raise this particular point of order in regard to four unanswered questions.

I know the parliamentary secretary and the President of the Privy Council (Mr. Pinard) are well aware that there are those of us on this side of the House who are not very happy, as far as speed is concerned, about the way certain questions have been answered by the government. Referring to questions I

have on the order paper, I should like to mention four specific questions. They get worse as they go along, timewise.

First, question No. 28 concerns certain tendering policies of Canadian National Railways. As of this day, the question has been on the order paper for two years and 20 days. In my opinion, it is inexcusable that it has not been answered.

I have raised question No. 15 as a point of order on at least five other occasions. It has been on the order paper, as of today, three years and 17 days. I think it has come to the point where the matter has become utterly ridiculous.

Briefly, the question deals with Martin Goldfarb and Goldfarb Consultants Limited who, of course, work for the Liberal party. The question concerns what they have received from the government in the way of government contracts over a specifically mentioned period of time. I have been told and told this will be answered soon. It is always "soon", but soon never comes. After three years and 17 days, I think I am safe in assuming that the government does not know, and needs to be given a dictionary to find out the meaning of "soon".

The third question is No. 29, concerning the return of the Taschereau papers dealing with matters of espionage in Canada to the Public Archives for a further ten years on the orders of Michael Pitfield and, as far as I know, not under any particular statutory permission that would allow such a thing. This question went on the order paper on June 4, 1978, which is two years, one month and two days ago, as of today. I think that is a disgrace as well.

Finally, question No. 30, concerning the Canadian Transport Commission is a very simple one. How many members of the commission have Air Canada passes; how many of their wives have Air Canada passes; how many employees, people connected with the commission, and so on, have Air Canada passes? I would not think it would take long to find out the answer. But it has taken the government four years, one month and six days, as of today, and it has not been answered yet. When a question sits for over four years on the order paper, I suggest there is gross negligence on the other side of the House.

Mr. Baker (Nepean-Carleton): They tabled the freedom of information bill today.

Mr. Cossitt: As our House leader has just drawn to my attention, the government tabled the freedom of information bill today. This shows how interested they must be, really and truthfully, in freedom of information; in other words, absolutely nil.

I find it very difficult to understand why the answers are not forthcoming. One assumes, after four years, that they never will be forthcoming. One assumes this government has no sincerity whatsoever on matters of providing information to the House.

When I raised one of my last points of order in regard to one of these questions, I forget the exact words, but to sort of colloquialize and summarize, the parliamentary secretary said, "Don't ask me; ask the President of the Privy Council". But he

was not here at that particular time. He is here now, so perhaps he, in all his wisdom, can tell the House more than his assistant could as to why questions sit on the order paper for three and four years without anything being done about them.

I think it is high time that members on this side of the House have every right to not only ask, but to come a point of demanding that the government get off its back seat and answer questions placed by the opposition which are really an attempt to elicit information to which Canadians and members of Parliament are entitled.

Why would the government hide from the Canadian people who has passes from the Canadian Transport Commission, or whose wives have passes? What is behind it that they do not want us or Canadians to know? Why do they not want the Canadian people to know what Martin Goldfarb and Goldfarb Associates Limited, who are close to the Prime Minister (Mr. Trudeau), got out of the government in the way of contracts? I know I have gone far enough, but may we have an answer?

Madam Speaker: Order, please. The hon. member is taking a little more time than is usual for this proceeding.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the hon. member takes the same kind of liberty with the House in bringing this up on a point of order as he does in putting questions on the order paper. I will have to do a tally—perhaps I can do it for tomorrow morning—of the number of questions asked by the hon. member for Leeds-Grenville (Mr. Cossitt) out of the total put on the order paper.

An hon. Member: That is his right.

Mr. Collenette: He costs the taxpayers of this country quite a lot of money in answering these questions. That is his right, but I would say that not one day goes by without the tabling in the House of at least one or two questions by the hon. member for Leeds-Grenville.

I am doing my best, but I should like to raise one point. The hon. member mentioned the delay in answering some of these questions. I should remind him that the Liberal party has not been the government for all of the last four years. There was ample time during the time of the last government to ask this so I find it somewhat insulting.

The hon. member took a shot at the Secretary of State (Mr. Fox) on freedom of information. His colleagues in the Conservative party talked about freedom of information, proposed to introduce a bill, but would not even answer one of their own members whose questions had been on the order paper for quite a while. I think that bears some explanation.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, there are two aspects of the answer of the parliamentary secretary which rather surprise me. The first is that he did not take into account the fact that the questions are quite old, quite ancient. I think the hon. member for Leeds-Grenville (Mr. Cossitt) would be delighted if, as well as answering the most current ones, the parliamentary secretary went back to answering some of the more ancient ones. His complaint with the government is that questions have been on the order paper for a number of years; not just weeks, days or months.

An hon. Member: You did not answer them when you had the chance.

Mr. Baker (Nepean-Carleton): The unfortunate part of the answer concerning when our party was in power is that if the two parties had not been so quick to defeat the government, we would have answered those questions because we thought they were quite straightforward.

Some hon. Members: Oh, oh!

An hon. Member: Some time in the next five years.

Mr. Baker (Nepean-Carleton): I want to make sure that another matter is clear on the record. In the course of his answer, the parliamentary secretary referred to the freedom of information bill. He indicated that we had tried, but did not introduce a freedom of information bill. On this day, particularly, I think it is important—and the parliamentary secretary can read his answer—he does not understand and recollect, because he was not here, there not only was a bill prepared by the Clark government over the course of the summer, but it was introduced as Bill C-15, approved in principle at second reading and was before the Standing Committee on Justice and Legal Affairs. I had the privilege of carrying that matter. I just want to make sure the record is clear, so it does not appear on the record that we did not move.

As a matter of fact, I have the privilege of reading the freedom of information bill tabled by the minister today. I congratulate the minister on two grounds. First, I congratulate him for the scope of the bill. I think it is a first-class bill. In some areas he has improved upon ours and in some areas we will have to look at things, but basically it is a first-class bill. It attributes to the public the right of judicial review which is the underpinning of freedom of information. I congratulate him on that. Also, I congratulate him warmly on being a good thief and recognizing the good things to steal.

● (1240)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, on this last point, I shall transmit the warm congratulations of the House leader of the Progressive Conservative Party to the Secretary of State and Minister of Communications (Mr. Fox). At the same time, I would like to come back to the question raised by—

Madam Speaker, the hon. member believes that the Secretary of State and Minister of Communications committed a theft by taking the valid provisions of the bill which was prepared following many speeches made in the House by Liberal members.

I believe that, to do justice to all members of this House, this bill meets the wishes of all Canadian parliamentarians. I think that the House leader of the Progressive Conservative Party was sincere when he congratulated the Solicitor General (Mr. Kaplan) for having taken the initiative to improve the bill introduced by the Progressive Conservative Party.

With respect to the first remarks by the parliamentary leader to defend his colleague who is the expert on order paper questions I will say that for the questions which are very dated, his government had ample time a few months ago to comply with the requests made by the member for Leeds-Grenville (Mr. Cossitt), and if it is true that Bill C-15 would have been presented at that time and referred to the committee by the Progressive Conservative government, although in a much less perfect state than ours, one would be hard pressed to understand why the Progressive Conservative government of the time did not follow up on it and provide answers to the questions asked so long ago by the member for Leeds-Grenville.

In any event, Madam Speaker, the parliamentary secretary does a splendid job with respect to answers to questions on the order paper in general and he averages very well in giving answers to questions asked by the hon. member for Leeds-Grenville. This is very commendable and indicative of the government's willingness to give complete answers. We do the necessary research and I can assure all hon. members that this is the way we intend to proceed for the remainder of the first part of the session and the next session, that is to say, to provide the required information not just in a superficial way, but after exhaustive research; this might explain some occasional delays in answers given to questions on the order paper.

[*English*]

MR. COSSITT—RIGHT TO PUT QUESTIONS ON ORDER PAPER

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I would like to refer to remarks made earlier by the Parliamentary Secretary to President of the Privy Council (Mr. Collenette). He referred to the number of questions that I have placed on the order paper. If I remember correctly, he said that he would try to determine the over-all percentage and tell us tomorrow.

That is not a matter of privilege, but what I think is, is the fact that he used the phrase that I was taking the liberty of placing questions on the order paper. If it is not the liberty of any member of this House to place questions on the order paper, then our privileges are being denied by the Government of Canada.

An hon. Member: Order.

Mr. Cossitt: In addition, and I believe I am summarizing correctly what he said—

An hon. Member: Sit down.

Mr. Cossitt: I will not sit down until I have had my say. He said that I should not do this, that it costs the taxpayers a lot of money. This is, in effect, what he said.

An hon. Member: Use good judgment.

Point of Order—Mr. Cossitt

Mr. Cossitt: I think I have more judgment than the hon. member. When the day comes, Madam Speaker, that the government of this country tells members on this side of the House that they should not ask questions because it costs money—when, incidentally, they are the biggest spenders from the public trough that we have ever seen—I take that as a threat to members of the opposition saying that, in effect, we are not supposed to ask questions. In other words, do not rock the boat. What are we here for? We are here to find out what this government is doing, whether it is doing a good job. If it is not doing a good job, why it is not, and what can be done about it.

One other thing, Madam Speaker, we were highly criticized on this side of the House about my raising this point, and that our government did not answer these questions. Let me remind the House that these questions were submitted two years, and I think in one case three and a half years, before this government came to power. When it was found that this government across from us now had done nothing about the questions, how on earth did it expect the information, which in some cases is a bit intricate, to be compiled in a matter of a very short time when it had done nothing for three to four years? That is gross negligence.

As far as privilege is concerned, I do not intend, Madam Speaker—nor do I think any other member on this side of the House should have to contend with the same thing, either—to sit here and be told that we should not spend taxpayers' money by asking legitimate questions of a government supposedly interested in freedom of information, or that we are taking liberties—

Mr. Pinard: Abusing.

Mr. Cossitt: —when we put questions on the order paper. We are not taking liberties; we are exercising our rights. Abusing our rights, the President of the Privy Council (Mr. Pinard) just said. That may be his opinion, but I am sure it is not the opinion of the people of Canada. A few years ago the Prime Minister (Mr. Trudeau) himself called us—and I know they will all agree—"a bunch of nobodies", but when the opposition of this country is given—

An hon. Member: Wasting the time of the House.

Mr. Cossitt: Wasting the time of the House, the hon. member says. That is the point I am trying to make. That is what he has told me, that we are wasting the time of the House and the taxpayers' money by asking questions. If it has come to that, then I suggest that this House dissolve, that the Prime Minister go up to his office with his cabinet and run the country by edict or dictatorship and let everybody go home.

I think it is time that we got a decent answer. I should not suggest that because that is what is going on right now, anyway: this Parliament has been made a farce by the Prime Minister, by his backbenchers and his frontbenchers.

An hon. Member: That is unparliamentary.

Point of Order—Mr. Cossitt

Mr. Cossitt: As far as I can see, nobody in this House has any authority over anything. This government does what it wants. It does whatever the Prime Minister wants or what the President of the Privy Council wants, and only questions that will not hurt those dear little people across the House ever get answered.

They talk about the number that have been answered. The number that they have answered of mine have been non-answers. You can put some words on paper, but that does not mean those words constitute an answer. In most cases they have been absolute non-answers. This government has been hiding behind such phrases as: it is not in the public interest; it has never been done before; and all that sort of silly stuff.

An hon. Member: Shame.

Mr. Cossitt: Our government, when it was in office, came out with straight, direct answers to questions and did not hide behind the bushes.

Some hon. Members: Hear, hear!

Mr. Cossitt: I conclude my question of privilege by saying—

Some hon. Members: Hear, hear!

Mr. Cossitt: I know they will be glad if I conclude, because they do not like the truth—and they never did. The sooner they stop hearing it, the better, I suppose, for their sorry, sad ears.

Mr. Baker (Nepean-Carleton): They would not know it if they fell over it.

Mr. Cossitt: I would like to conclude by saying that it is high time the opposition in this House was no longer threatened or accused of exercising liberties and spending too much money when they do what they were sent here to do, and that is to ask questions of the government.

Mr. Collenette: Madam Speaker, I do not want to prolong this debate, but as usual the comments made by the hon. member for Leeds-Grenville (Mr. Cossitt) are somewhat unproductive when there is business before the House which needs to be done. He did misrepresent some of the things I said and I am sure the blues will bear me out. I am not saying it is deliberate, because no member of this House does that.

An hon. Member: He knows not what he says.

Mr. Collenette: I would like to make the point, however, that at no time did I say the hon. member should not put questions on the order paper. That is the right of every member of this House. What I was trying to do was to point out the inordinate number of questions which the hon. member has on the order paper in proportion to the rest.

Mr. Baker (Nepean-Carleton): He is a very hardworking, active member.

Mr. Paproski: He is a hardworking member.

Mr. Collenette: I also point out the number of questions that were answered by this government. On the question of the word "liberty", the hon. member knows that when one uses the phrase, "take the liberty of", it does not impute any motive; it is strictly a comment on the fairness or the propriety of a certain course of action. I would say that it is inappropriate and a little unfair for the hon. member to take so much liberty, if you will—

Mr. Paproski: Do you want a crying towel?

Mr. Collenette: —with the rules of the House and the privilege to put questions on the order paper. I submit, Madam Speaker, that you do not have a question of privilege before you; it is somewhat a question of debate. In any event, I think I did have the right to correct the record somewhat because readers of *Hansard* might have been misled by the hon. member's comments.

● (1250)

Madam Speaker: This is, obviously, not a question of privilege but a matter of grievance. The debate which followed the grievance by the hon. member for Leeds-Grenville (Mr. Cossitt) might have been legitimate, or it might not. However, with the explanations of the hon. parliamentary secretary—

Mr. Baker (Nepean-Carleton): Such as they were.

Madam Speaker: —perhaps this House is a bit more aware of what exactly was said on both sides. At any rate, one can always read *Hansard* and look into the exact meaning of what members say in this House. But I cannot see a matter of privilege.

[*Translation*]

The questions enumerated by the hon. parliamentary secretary have been answered.

[*English*]

Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

THE QUEEN MOTHER

CONGRATULATIONS ON EIGHTIETH BIRTHDAY

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, since the hon. member for Esquimalt-Saanich (Mr. Munro) raised a question with regard to motion No. 15, I have had consultations with my colleagues from the other parties, the House leaders. There seems to be agreement that if the motion is put today, there will be no debate.

I would be willing, with the consent of the House, to put motion No. 15, in the name of the right hon. Prime Minister (Mr. Trudeau). I understand that there is agreement that there will be no debate.

Madam Speaker: Does the suggestion of the President of the Privy Council (Mr. Pinard) have agreement?

Some hon. Members: Agreed.

Hon. Yvon Pinard (for the Prime Minister) moved:

That Madam Speaker send a Message to Her Majesty Queen Elizabeth, The Queen Mother, extending the congratulations of the House of Commons of Canada on Her completion on August 4, 1980, of Her eightieth year, expressing the gratefulness of the people of Canada for the many services Her Majesty has rendered them over the years, including Her many visits, beginning with the first in 1939 when she accompanied Her husband, His Majesty King George VI, on the first visit of a reigning monarch to this country, and wishing Her continued good health and long life.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

PYRAMID COMMUNICATIONS LIMITED

MEASURE TO REVIVE COMPANY

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, there has been agreement between the three parties that Bill S-8, a private member's bill which was passed through the Senate yesterday would be brought before the House. I do not think that there is any cause to hold up the bill.

The sole purpose of the bill is to revive a company known as Pyramid Communications Limited which through some inadvertence allowed their charter to lapse. It is now imperative, in the circumstances, that the company be revived and it be deemed not to have been dissolved, in order to allow the company to dispose of certain real estate holdings which it hopes to sell.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I would like to confirm these consultations. To be correct, I understand that Bill S-8 is a private member's private bill. The bill was passed by the Senate without amendment, and there is some urgency to it. We on this side will agree to have the bill sent to the Standing Committee on Miscellaneous Private Bills and Standing Orders, which we hope will meet later today on this particular bill.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to express agreement on this matter. There were consultations. While I am on my feet, I would also like to express my thanks to the staff of the President of the Privy Council (Mr. Pinard) who facilitated the hon. member for Parry Sound-Muskoka (Mr. Darling) after we were in touch with them.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, there were such consultations, and we are willing for this bill to be sent to the standing committee.

Madam Speaker: By unanimous consent, Mr. Darling, seconded by Mr. Baker (Nepean-Carleton), moves that Bill S-8, an act to revive Pyramid Communications Limited, be now read a second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, and that the provisions of Standing Order 103(1) be suspended in relation thereto.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, May 12, 1980, consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I find myself in a very odd position, having spoken back on May 12 for nine minutes, I believe, when the address was last before the House on its seventh day. As you can see, I have the floor once again.

It is very unusual, because this is the third occasion on which I have tried to complete one speech. I started off on May 12, on the seventh day. Then on May 22, hon. members of the New Democratic Party, on their opposition day, kindly facilitated a constitutional debate in which I proceeded to say a few words. I would like today to conclude my speech of the last couple of months. In a sense, it is somewhat novel because I have had the benefit of being able to use current events which have intervened between the various debates to update the message which I was trying to bring to the House.

There are a couple of minutes left before one o'clock and I would like to summarize, since it is sounding somewhat like a serialized speech, the points which I want to make. On May 12, when the seventh day of the address was allotted, I tried to make the point about the entrenchment of minority and language rights in any new constitution. This is something for which members of this party have stood for years. It is something to which the Prime Minister (Mr. Trudeau) attaches a particular importance. I would hope that there is a similar sentiment on the other side of the House and in all parties.

I realize that some of the provinces are somewhat reluctant to entrench language rights in the constitution. I would hope that the deliberations which are now under way under the chairmanship of the Minister of Justice (Mr. Chrétien) will bear some fruit. As I mentioned on May 12, one of the imperatives in constitutional reform is that we entrench minority and language rights in the new constitution.

On May 22, a couple of days after the referendum in Quebec, I had the benefit of putting my particular message in the context of the result of May 20, which members on both sides of the House applauded and which has spurred on the whole question of constitutional change throughout the country. I again implored the provinces to try to facilitate some entrenchment of minority and language rights in the constitution. I wanted to continue then, before my time elapsed, on the whole question of constitutional change from the perspective of a member of Parliament from Ontario.

I think that members of Parliament from Ontario, notwithstanding their party, and members of the legislature of Ontario have a particular role to play in the constitutional debate which is before the country. There have been comments thrown back and forth in this House about the attitude of Ontario vis-à-vis the sharing of benefits and wealth in this country. I would like to call it one o'clock in a couple of minutes and come back after the break to talk about sacrifices—perhaps that is a strong word—or the accommodations which must be made by Ontario, the richest, province in this country, to ensure that there is equality of benefits, revenue sharing and opportunity throughout this country.

The Atlantic region and the western region have historic grievances against Ontario and confederation as it has developed, and I am in sympathy with those arguments. I would like to talk about this subject after the break in the context of the negotiations which the Prime Minister is about to undertake with the Premier of Alberta on the setting of an oil price. If I could have agreement, I would call it one o'clock.

The Acting Speaker (Mr. Blaker): Order, please. As it happens, it is one o'clock. We will recognize the parliamentary secretary when the House returns at two o'clock.

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

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order. When the House rose at one o'clock, the hon. Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) had the floor.

Mr. Collenette: As I mentioned earlier, Mr. Speaker, this is a somewhat truncated speech and I shall try to finish with some dispatch.

Before the lunch break I talked about the constitutional debate in the context of the division of powers, especially as it affects Ontario. I think it is crucial that members of Parliament from Ontario and members of the legislature of Ontario enter into the constitutional debate that is now going on, especially in view of the negotiations that the Prime Minister will be having with Premier Lougheed in a couple of weeks' time.

My point is that the discussions now under way on the whole question of oil prices could have serious effects on the future of this country. I hope that the rhetoric on both sides of the argument—for the producing provinces in western Canada and for the consuming provinces, such as Ontario—could be in language a little less inflammatory than that which has been used. It is not for me to stand in my place and admonish any member of this chamber, but those of us who view the issue with some alarm and those of us who inflame passions in this House are doing a disservice to the country. I hope that over the next few weeks when Parliament will perhaps not be sitting we will cool our rhetoric somewhat.

Before lunchtime I talked about the way Ontario has benefited from confederation. We can look back 100 years and realize that in 1867 the maritime provinces were somewhat wealthier than they are today, given the proportion of the GNP at the time. The people from Atlantic Canada can argue that they have suffered over the years and that only with equalization has a measure of parity been achieved in the country. I am not arguing against equalization; it is one of the great concepts that we have in Canada today. I think people in Atlantic Canada, however, would argue for the need for development of their own potential and also that the freight rate structure in the country has hampered the development of industry in eastern Canada. The same arguments, of course, are made in this House by members from western Canada.

Those of us who come from Ontario must realize that if this country is to continue, that if there is to be a common market, as the Prime Minister describes it, where there is free movement of labour, goods and people across provincial boundaries, then concessions have to be made by all provinces and particularly by Ontario.

When the Prime Minister meets with Premier Lougheed in a couple of weeks' time I hope that he will not just be discussing the oil price in its narrow context but will talk about other concessions that will be made by central Canada to western Canada. I hope there will be recognition of the fact that, after oil and gas is taken from the ground, an industrial base must be established in order to create the wealth needed by western Canadians. I think this is what Mr. Lougheed wants but I believe we have to strip away the inflammatory language on both sides and agree on the basic thrust that economic growth in this country is moving west. That is not a bad thing, Mr. Speaker.

At the weekend, Mr. Speaker, I was reading the *Toronto Star*. That is the bible for those of us who come from Toronto.

An hon. Member: The Liberal members.

Mr. Collenette: The inside section of the *Toronto Star* dealt with the problems in Ontario's mines, farms and forests. It referred to their vanishing. The point made was that through mismanagement by the provincial government, farm land was being lost, resources were being destroyed—

An hon. Member: By the Conservatives.

Mr. Collenette: It is a Conservative government, I should add, in Ontario. Fishing was also being depleted.

I think one could also read the article in the context of the need for a slowing of growth in Ontario. It refers to the fact that much of Canada's prime farm land in Ontario is being developed for urban sprawl, or whatever, and that the pressures of growth are taking their toll on the natural environment in Ontario. As I travel around Toronto I notice the crowding and I cannot help but feel that Ontario should perhaps grow more slowly, as in the past. There has been phenomenal growth since the Second World War, and this has given rise to a number of problems, some of which are described in the article. I would urge hon. members to read this article which appeared in Section B of the *Toronto Star* on July 12.

Politicians from Ontario should welcome the fact that the industrial impetus is shifting to western Canada. Perhaps it is time for Ontario to concentrate on trying to improve the manufacturing industries in which it does well, such as communications and transportation equipment, and leave the processing of raw materials to other parts of the country. Let those areas develop these particular industries.

● (1410)

I hope that when the Prime Minister meets Mr. Lougheed, he will discuss a whole range of things. I hope he will discuss an energy conservation package, not just prices. There has been some talk in the Toronto press about de Havilland Aircraft of Toronto which needs to build a second plant for the Dash-8 aircraft, perhaps locating that plant in Alberta. I have no objection whatsoever. I have de Havilland workers in my constituency. If that plant is built in Alberta, Saskatchewan or anywhere other than metropolitan Toronto where the existing plant is, it will still help the economy in Toronto. There will still be some 2,000 jobs generated for parts. However, the assembly of that aircraft could be done elsewhere in the country.

When people in western Canada, especially the premiers, talk about all the industrial expertise and industrial growth occurring in Ontario, they have a point. I hope there will be some trade-offs made by the Prime Minister and Mr. Lougheed. We in Ontario expect to pay lower than world prices. I believe we should. The policies enunciated by this government when in opposition and through the election were the right ones, I believe. We should not be held up to ransom by any oil sheiks across the world, or cartels of any description, especially when we have an abundance of those resources in Canada.

When we in Ontario expect lower prices, we should be prepared to make some kind of trade-off. In annoys and bothers me when the deputy premier of Ontario views a potential export tax on hydroelectric power as being discriminatory against Ontario. In this case I agree with Premier Blakeney. If we are talking about the export of resources, whether they are manufactured or come straight out of the ground, there should be some equality of approach. I can understand the attitude of western Canadians on this. My only hope is that the Minister of Energy, Mines and Resources (Mr. Lalonde) will take this into account when he is having discussions with the western provinces.

Having said that, and having said some pretty harsh things that I am sure some of my constituents would not want to hear, we must make it absolutely clear that we cannot allow any one part of this country, any one province, to amass a fiscal base that will erode the financial integrity of the nation as a whole. That is what is happening with the development of the heritage fund in the province of Alberta.

Look at other federal states around the world. Look at the United States and Australia where there is a similarity, where there are natural resources, oil and gas, being taken from the ground. If you look at the take from those countries that the member states have equivalent to our provinces, you will see that the resource producing provinces in Canada enjoy an unparalleled advantage.

We see the Premier of Alberta going around the country trying to get support for his position, promising money, in effect trying to buy off, if that is the word, or trying to use his money to buy favour from, say, the maritime provinces. My colleague from Humber-Port au Port-St. Barbe knows this only too well. That bothers me, Mr. Speaker.

What we are developing in this country is two central banks. If you follow the philosophy of Mr. Lougheed through to its logical conclusion, there is very little difference between his concept of Canada and that of Mr. Lévesque. We have just been fighting against that concept, the concept of co-equal states in this country. We either have strong national institutions that can govern on behalf of all Canadians, that can redistribute the wealth, that can see that the wealth of this country is shared, or we become separate states. We fought against that on May 20.

My colleagues from Quebec should be applauded, as well as members on all sides, including the Leader of the Opposition (Mr. Clark), members of the NDP or the Leader of the NDP, for taking a non-partisan approach on the question of Quebec. However, I would submit there is very little difference in the grand design that Mr. Lougheed has—the concept of co-equal states, that the federal government is just another government with certain responsibilities in all the provinces, and that the provincial governments are paramount. This was not intended when the BNA Act was drafted in 1867. I would hope that we would arrest this trend.

Speaking from my point of view and I hope that of all members of our party, we are prepared to compromise. We are prepared to see that there is equity among the trading and financial arrangements of this country. But we cannot allow the nation state of Canada to be held up to ransom by any one of its component parts, whether that is a government in the province of Quebec, a government in the province of Alberta, or elsewhere. We should emphazise and not take lightly the fact that the people of this country have a very difficult decision to make within a matter of months. The rhetoric will escalate. I only hope we can try to work things out in a

compromising way. The rhetoric will escalate and Canadians will have to decide.

We had a bill before us in the Thirtieth Parliament calling for the establishment of referenda. I submit, and I am talking here as a private member obviously, that if there is failure to agree on any constitutional change, if there is failure to agree on oil pricing, the people of Canada are going to have to decide once and for all whether they want this competing power game between bureaucratic and political elites to continue to the detriment of the well-being of the collective good of all Canadians.

We have only a few months to resolve these questions. I hope that we can patriate our constitution. I hope that the premiers of the consuming provinces, especially Ontario, will not react if concessions are made to legitimate western applications. On the other hand, I hope that the premiers especially in western Canada and the governments of western Canada, above all Mr. Lougheed, will not try to press their point to its logical conclusion.

There are changes we can make in the constitution which will bide well with western Canadians. We can redefine in any new constitution the provincial ownership of resources clause. We can put limits on the declaratory power. We can perhaps even talk about doing away with the federal power of disallowance which has not been used in 30 years and which perhaps is an anachronism in a modern sophisticated state.

There are concessions we can make; I think our government is prepared to make them. I would urge that they make concessions. I urge that members in my caucus from Ontario, and opposition members from Ontario, help to sell that position in a non-partisan spirit. If we divide on party lines on constitutional change over the next few months, then this country is in for a very rough ride indeed.

I know, Mr. Speaker, there are a number of members who wish to seek the floor. I am sorry that my remarks have been somewhat truncated because of the unusual circumstances. In conclusion, there are members from Ontario, certainly myself as a Liberal member from Toronto, who are prepared to go out in our constituencies and talk in metropolitan Toronto of the need for a deal for every region in this country, even though that will perhaps hurt in some way the opportunities of our own constituencies.

We have to look beyond normal electoral considerations in trying to get re-elected. If we cannot resolve this basic question, we may never get to another federal election in the way we used to. I do not want to be an alarmist, but we have to look at this question very seriously. I hope all members on all sides will do their best to try to sell to their constituents a policy that will give equal opportunity, fairness, and enshrine the principle of sharing right across this country, no matter where one lives.

● (1420)

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I am pleased to take part in our discussion on this the last day of the debate on the Speech from the Throne. I request, Mr. Speaker, that you be kind enough to add my name to the long list of others who have congratulated Madam Speaker on her appointment.

I wish to speak for a few moments about my constituency, the federal riding of Cariboo-Chilcotin. It is a relatively large riding located in the main in central British Columbia. It is about 42,000 square miles in area, just slightly smaller than the area of England. It extends approximately 400 miles from the Pacific port of Squamish in the south to the town of Quesnel in the north. About 75,000 people live within its boundaries. Its major industries include lumbering, pulp and paper, mineral production, cattle ranching and tourism. The riding is divided almost in half along a north-south axis by the mighty Fraser River, the single most important producer of salmon in the world.

The largest portion of the constituency is located inland and has come to be called cariboo country. This area was opened in the 1800s by the gold miners and cattle ranchers. The famous boom town of Barkerville, which in its heyday was the largest community north of San Francisco and west of Winnipeg, is still very much in existence. It has been completely refurbished and is now one of Canada's most popular tourist attractions.

At the southern end of the riding we now have a very ambitious world-class resort being constructed at Whistler in Garibaldi Park. Millions of dollars are being expended on skiing and other recreational facilities. When completed, approximately 26,000 skiers will be accommodated on a daily basis and skiing will continue for 11 months of the year.

It is important to note that inland we have the Hat Creek coal deposit, one of the largest in the world. We also have Canada's largest cattle ranch, the Gang ranch. To add to all of this, Mr. Speaker, we have within the boundaries of my constituency 37 Indian bands. I am proud to represent the people of Cariboo-Chilcotin, and especially the native population which makes up a large percentage of my constituents. It is in this particular regard, Mr. Speaker, that I intend to frame the remainder of my address.

I would like to turn to the issue of Indian affairs in Canada. Recently we have had two indications of the depths to which our Indian policy has fallen. The most offensive of these was the case of Sandra Lovelace who has been forced to resort to the United Nations human rights committee to seek justice. This puts us in the same elite group as the Soviet Union, Chile and Idi Amin's Uganda. To say that this is a national disgrace is an understatement. That our system cannot deal with this matter of equal rights is almost beyond comprehension. This is not an issue which has suddenly sprung up on the government; it is a problem which has been sitting in front of us for 111 years.

The second indicator is a recent report on Indian conditions by Mr. R. H. Knox of the Department of Indian Affairs and Northern Development. Although the report is just a rehash of old statistics presented in a glossy new format, it is useful in bringing public attention to the plight of native people. This is necessary because the Speech from the Throne almost ignored the issue.

If the House will bear with me I will restate the government's native people's policy, as given in the Speech from the Throne:

Expanding native opportunities and training women for new occupations will receive strong emphasis.

That was the limit in the area of native policy as laid down in the throne speech. I am sure that our native chiefs, whose people face a suicide rate which is about three times the national average, were reassured by this comprehensive new policy. They have been waiting since 1968 for the "just society", so I suppose they will be equally patient in waiting for these "expanding native opportunities" which are receiving such "strong emphasis".

I would like to suggest to the government, if it is not too presumptuous of me, some methods as to how native opportunities can be expanded. We could begin by reviewing the government's policy on trust funds set up for native bands. These trust funds have apparently been used more as a source of cheap revenue to finance government spending than to help the native people. Recently native chiefs estimated that they are losing in the order of $10 million a year through the mismanagement of funds held in trust for them by the Government of Canada. How could this happen in a just society?

The answer is much simpler than one would expect. The Minister of Indian Affairs and Northern Development (Mr. Munro) is in a conflict of interest situation. He is the legal trustee for all native trust funds and as such, he is expected to ensure to the best of his ability that these funds are used in such a way as to maximize the benefits to the bands. On the other hand, he suffers under the mantle of a minister of the Crown and as such it is his first duty to act in the best interests of the Government of Canada. He fulfils his mandate as a minister of the Crown by depositing the trust fund moneys into the Consolidated Revenue Fund. The money in the Consolidated Revenue Fund is then used to finance the deficit which has made this government a legend in its own time.

Unfortunately, the Indian bands do not get a fair return on their trust funds. At the recent all-chiefs conference held in Ottawa the minister made a commitment to undertake a comparison between the interest rates paid by chartered banks and the government rate paid on the trust funds. This the minister promised to do within two months of the time the conference was held. That deadline has now passed by some three weeks. Pending the tabling of this now overdue report we are left to depend upon the statements of departmental officials. At a recent meeting of the Standing Committee on Indian Affairs and Northern Development we were informed that the government rate was "significantly lower than the rate of interest you would get from commercial banks". Two days later the same committee was told that the two rates were competitive in the long term. I would tend to put my faith in the former statement because, in the words of John Maynard Keynes, "in the long term we are all dead".

However, there is an additional aspect to the conflict of interest situation I have described. The hon. member for Cowichan-Malahat-The Islands (Mr. Manly) pointed out last Tuesday night that the audit of the government's handling of these funds unanimously ordered by this House last November has not been forthcoming. As the hon. member indicated, we have been told that difficulties exist.

The difficulties are twofold. First, the government, the trustee, has lost documents relating to the trust funds. These documents have apparently been devoured by the Public Archives of Canada, never to be regurgitated again. This has left a gap in the trust fund records. I find this action on behalf of a trustee to be irresponsible at best. Imagine, if you will, that you have set up a trust fund with your lawyer, Mr. Speaker. This trust fund would be for the purpose of ensuring the financial security of your children. In ten years you ask your lawyer for a status report on the fund and your lawyer replies: "I am sorry, but I cannot do that; I filed your financial records and in the interim they were lost". Your first action would be to fire the lawyer, your second action would be to sue him for his gross incompetence, and you would probably wish to have him disbarred as well to ensure that he never did it again.

● (1430)

The Indian bands, unfortunately, do not have this recourse. They cannot fire the minister as a trustee. Their position is similar to that of a minor in this respect. They cannot sue the government, and they cannot depose the government for its incompetence.

The second facet of this problem is the complexity of the accounts themselves. There are some 1,100 accounts which must be audited. Combined with the gaps in documentation, the result is an auditor's nightmare. How could a responsible trustee allow this situation to develop? The trustee's conflicting interest with his role as minister of the Crown not only allowed this to develop but might even have precipitated its development. If we are to return to that nirvana, the just society, then the government must eliminate this conflict of interest. This would go far toward expanding native opportunities.

I would now like to open a specific area where there is considerable scope for the expansion of native opportunities in British Columbia. In British Columbia in the early part of this century a provincial commission was set up to "review conditions of Indian affairs in British Columbia". This body, known as the McKenna-McBride commission, was essentially established to modify the size of British Columbia Indian reserves, in full consultation with the Indian people. This was agreed to by the federal government because of the conflict over the size and legal ownership of reservations which had existed with the province for over 40 years.

Even in these early times a conflict of interest existed with the department of Indian affairs and its role as trustee. Here was the federal government agreeing in many instances to reduce the size of its trust. However, the federal government did include the proviso that, and I quote:

—the reserve shall, with the consent of the Indians, as required by the Indian Act, be reduced to such acreage as the commissioners think reasonably sufficient for the purposes of such Indians.

What had happened was that when certain reservations had been set up at the very beginning, the Indian population had been decimated by smallpox. The white population then saw Indian people as a handful living on various reserves, and this commission was set up ostensibly to reduce the size of the reserves and sell the land to the white population.

What sane person would voluntarily agree to reduce the size of his holdings? As hon. members can imagine, the Indians did not agree to the reduction of the size of their reserves. In most cases they did not even realize that they were losing their land. By the time the report of the commission became law in 1916, 35 cutoffs amounting to 36,000 acres had been taken from the reserves. These cutoffs were, of course, completely illegal because of the lack of consent of the Indian people. There was no consultation.

I would like to emphasize at this time that what we are talking about here is not the settlement of new claims but, rather, the return of land to the legal owners. There is no question that this land belongs to the Indian people because it was outside the mandate of the commission to cut off lands without the consent of the Indians.

The situation which developed was that British Columbia acquired legal title to the cutoff lands with the requirement that the province turn over 50 per cent of the proceeds from the sale or other disposition of these lands. This amounted to only $90,000 for the Indian people. Much of the land was sold for $1 an acre, and it was prime agricultural land.

The Government of Canada acquired title to all British Columbia Indian reserves as a result of this commission. It is true that Indian reserves were increased in size by 85,000 acres, but I would like to emphasize that these 85,000 acres were far below the quality of the cut-off lands, and in most cases it was a matter of trading acreages in valleys for barren mountain tops.

Ever since the lands were lost in 1916, these affected bands have been trying to get their land back. The Squamish band has been a leader in pressing the case with the federal and provincial governments. One half of the Squamish band is in my riding and the other half is in the riding of the hon. member for Capilano (Mr. Huntington). The Squamish band lost between 130 and 132 acres on the north shore of Burrard Inlet near the mouth of the Capilano River. The northernmost footings of the Lions Gate Bridge sit on Squamish band cut-off land. The bands' lawyer estimated in 1976 that this 132 acres of land would be earning $786,590 a year in rent, and this is a very conservative estimate. This is the rent which would accrue to this band if it owned the land at present.

The province has agreed to return about 30,000 acres of cut-off land, which it retained control of, to the reserves, to compensate the bands for assessable damage and compensate for certain lands it wishes to retain for public purposes, mainly for parks. The federal government would compensate the bands for the 3,200 acres sold to third parties; in other words, for the encumbered land.

It is with the federal government that the Indian committee which represents the affected bands is at odds. The federal government offered the bands the market value at the time of taking, 1916, for the principal portion plus a very low rate of interest on this amount. This is about 10 per cent of what this land is actually worth at present. On March 9, 1979, the federal cash offer was increased to $14.4 million for all claims. It is estimated that the real estate value of the Squamish land near the First Narrows Bridge alone is worth $30 million.

In closing, because of over 60 years of procrastination the situation is now very difficult. We cannot expect these people, who have waited patiently these many years, to settle for 1916 values for encumbered land. On January 3 of this year the Squamish band decided it could wait no longer and submitted its case to the federal courts. It will be an interesting case, and I sincerely hope justice will finally prevail.

Mr. Beatty: Mr. Speaker, I rise on a point of order. I have had the usual discussions with representatives of each of the parties in the House, and I believe there would be unanimous consent to revert to the presentation of reports from standing and special committees for a minute.

The Acting Speaker (Mr. Blaker): The hon. member seeks unanimous consent to revert to presenting reports from standing and special committees. Is there unanimous consent?

Some hon. Members: Agreed.

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REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Fourth and fifth reports of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Beatty.

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

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[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, first of all I am grateful to have this opportunity to address the House for the first and, I hope, not the last time. I am also happy to say that I am proud to speak in the name of the people of Lotbinière who did me a great honour by electing me as their representative here in Ottawa. Lotbinière is a riding which has

undergone some changes, mostly since 1968. I will say first that it is bounded on the east by the constituency of Lévis, which is represented in the House by the hon. member for Lévis (Mr. Guay) whose presence in the House I want to acknowledge because he has been instrumental in my election here. It extends northward to the St. Lawrence river, southeasterly to the constituency of Frontenac, southwesterly to Richmond, westerly to the constituency of Drummond and northwesterly to the constituency of Richelieu.

As I said earlier, Lotbinière underwent some change in 1968, when some parts of the riding were part of the Drummond-Arthabaska constituency, especially the Bois-Francs area. In addition, the constituency now extends further towards the Quebec area where various municipalities belonged to what was called the old Lotbinière. It is a semi-rural constituency made up of several towns and 57 municipalities in all. I am therefore proud to be here and address mainly my constituents of Ste-Cécile-de-Lévrard, my birthplace, the people of Victoriaville, of Arthabaska, Princeville, Daveluyville, Ste-Croix and Laurier-Station, which, by the way, is so called because one of our distinguished prime ministers, Sir Wilfrid Laurier, had stopped there. That is why it was called Laurier Station.

The riding, of course, is rich in parliamentary history; as I said, Sir Wilfrid Laurier made his mark on the Victoriaville-Arthabaska area, mainly in Arthabaska. He was a lawyer and had a practice. Later, he became Prime Minister of Canada, and probably one of the greatest prime ministers in our history. The riding of Lotbinière has also been represented in the House of Commons for several years by the Hon. Hugues Lapointe, former lieutenant-governor of Quebec. Trained as a lawyer, he served in the armed forces and was later appointed lieutenant-governor of Quebec.

Mr. Jean-Luc Pepin, now Minister of Transport, was once the elected member for this part of the riding as well, which was then called Drummond-Arthabaska. This riding was also represented by the former leader of the Social Credit party, the late Mr. Fortin, who died in a car accident in the summer of 1977. The riding also produced some painters such as Suzor-Côté, one of our great Quebec painters who lived in Arthabaska in the riding of Lotbinière.

Of course that riding has also made a name for itself in the world of sports since many people from the Victoriaville and Bois-Francs area, such as Jean Béliveau, Gilbert Perreau and Gilles Marotte, have done them proud as well as the riding of Lotbinière. I am very pleased for my riding with the Speech from the Throne and the various programs and other measures it announced for creating employment in the small and medium-business sector. On page 6 of the speech, Mr. Speaker, the basic objectives of the government are outlined, namely to give work to more Canadians in those groups, such as the young, women, our native people and the handicapped, who have a harder time getting jobs.

As I said, Mr. Speaker, the government will change those programs and re-allott funds to better meet the needs of those groups. Already, Mr. Speaker, many things have been done with regard to that situation; as far as my riding is concerned, there certainly is need to create jobs for the present situation is really serious. Even the Minister of Employment and Immigration (Mr. Axworthy), who was here this afternoon, spoke about the job-creation program some time in June. For the current fiscal year, he announced on June 2 a $137 million program designed to meet the critical and immediate job problems many Canadians are facing. Over a $100 million of that amount has already been earmarked for winter community development projects, especially in high unemployment areas. As for the riding of Lotbinière, these projects are undoubtedly very useful and enable a great many people, especially young people and even women, to join the labour force under these various programs, such as the community services development program and the local economic development assistance program. This situation is also very important for a constituency like Lotbinière where there are many industries such as the furniture industry and related industries, the textile industry and its by-products. The furniture industry has experienced some problems in the Lotbinière constituency, particularly in the main area around Victoriaville. Fortunately, the situation has now improved thanks to some federal assistance and to programs that were already being implemented and have only recently been amended. I am referring to the small business program mentioned on page 5 of the throne speech to assist industries by raising the ceiling for loans under the Small Businesses Loans Act and for farm improvement loans to $100,000.

I am proud, Mr. Speaker, that the Speech from the Throne mentions these things which will allow Canadians, my constituents, and the industries operating in the riding of Lotbinière to receive these benefits. For example, the employment tax credit program, covered by Bill C-3 which was passed recently by the House, will assist young people starting off in the work force and help some industries facing cash flow problems to hire people with the aid of federal programs such as the employment tax credit program. To enable employers to hire new people who, we must admit, Mr. Speaker, are not always experienced, require considerable investment. This employment tax credit is indeed an excellent program for many Canadians and, obviously, also for my riding.

There will be a concentration of furniture and textile plants in the riding. Those have sometimes been said to be soft industrial sectors. Considering what exists in Lotbinière and the programs of the Canadian government, it can be said the Trudeau government through those various programs has reached a happy medium in those industries and allowed a good many Canadians to have decent work and earn a living for their families.

When one considers the programs that apply in Lotbinière and naturally to all Canadians, one can see, as it is said on page 5, that the government is very concerned about the employment situation in Canada. It is hoped that later on the municipalities, with the consent of the provinces if necessary, will be able to introduce programs such as Canada Works. I know that recently municipalities including Lotbinière were unfortunately prevented from introducing Young Canada Works projects by our provincial government which thus caused the rejection of many projects and a lot of trouble to some people. The forthcoming programs that have already been adopted following the throne speech allow for optimism about the employment situation in Canada in future years. The Trudeau administration tried to develop that very kind of program which is sought out by the Canadian people, and as I said earlier, it started on June 2. I refer to Mr. Axworthy's program.

While we can talk about those programs, I think what we should do in fact is publicize them. That being said, I also invite my colleagues on both sides of the House to publicize the various employment programs of the Government of Canada. We should tell the Canadian people what are the existing programs. You will see there are a lot of programs, if you read the document issued by the minister on June 2, 1980, which refers to native training programs, to the training of women to occupy non-traditional occupations, to local job-creation assistance. How many Canadians do not know of these programs? How many Canadians are not aware of this situation? Of course, there are departmental press releases, but I think that members have an important role to play with respect to these programs, and that is to make their constituents aware of them by telling them how the Canadian government is helping the community through job creation.

● (1450)

We must therefore tackle this problem. I shall return to this matter later on when dealing particularly with the question of Canadian unity and the situation in Quebec between April 15 and May 20, the referendum period. Therefore, we must make those facts known to the Canadian people, and I think one of the duties of a member of Parliament is to tell his constituents and Canadians in general: "Listen, the Canadian government has implemented various job-creating programs. You must take advantage of them and provide opportunities for the unemployed to benefit from government aid. Thus, the wheel is set in motion, because workers pay taxes and therefore get the economy going. This very urgent publicity problem must be tackled, because in the province of Quebec particularly, where the riding of Lotbinière is located, we are deluged with publicity to the effect that it is the provincial government which is doing such and such a thing. How many social programs are there in the field of job creation, aid to municipalities whose costs are shared between the Canadian and the provincial governments? How many citizens do not know this? Mr. Speaker, many citizens do not know the extent of the federal participation. We must therefore tackle this problem and inform the Canadian people that the federal government is everyone's government and that it can help them in the field of employment just as I have said.

Of course, I could not make my speech without talking about farming and, there again, at page 5 of the Speech from the Throne, reference is made to agriculture. Since that time, Mr. Speaker, it is obvious we had to discuss certain problems in the House, and the budget of the Department of Agriculture and the agricultural policies enabled Canadian and Quebec producers to maintain their position. In the past, it is true we had problems in agriculture. We even saw farmers come here on Parliament Hill to demonstrate. But that situation went back to normal, and I think our Canadian and Quebec producers are very happy. So we have to continue in the same vein.

In my riding, Mr. Speaker, I am very proud to point out to the House that even that farming business is important. Many breeders are renowned and even go to major exhibitions like the Toronto exhibition and won prizes there. I am speaking of breeders like Messrs. Pepin and Tourigny who were master breeders in Canada as farm producers of the Holstein breed.

Of course, Mr. Speaker, we can only be happy about the situation of farmers who are having problems today like any other class in society but, nevertheless, I think we can say that farm producers have their place in the sun in Canada. The policies implemented by the government of the right hon. Prime Minister (Mr. Trudeau), the policies that have been implemented in the past 12 years, since 1968, have enabled Quebec farmers to hold an enviable place in our Canadian society and earn revenues comparable to those of people in other classes of society.

I admit farmers will say they have to make huge investments and spend a lot of money to start their businesses. It is obvious that agriculture today is no longer a small undertaking, it is a business in which a good many Canadians succeed through hard work like in any other area. Mr. Speaker, I can only be happy with that situation given the Speech from the Throne which applies perfectly in the riding of Lotbinière.

Of course, Mr. Speaker, when reading the Speech from the Throne, I can only rejoice that the criminal law situation is mentioned. As I have a law practice in the Victoriaville area of the Lotbinière constituency, I am more than happy to see the following reference on page 5:

> The serious problem of violence against women will also be addressed along with other amendments to the Criminal Code, and efforts will be made in concert with the provincial and territorial governments to improve health and social services for women who are victims of violence.
>
> It is time, too, to move cannabis offences to the Food and Drugs Act and remove the possibility of imprisonment for simple possession.

Mr. Speaker, after eight years as a trial lawyer, I know that many Canadians wonder about the situation relating to the

Food and Drugs Act and the cannabis offences. When the Minister of Justice (Mr. Chrétien) made some statements that made the headlines about this situation, many people were concerned that the government wanted to legalize cannabis and therefore wanted Canadians to use this drug. I believe it is important for me to state clearly to this House, to the constituents of Lotbinière and to the Canadian people as a whole that the government of Canada has no such intention. Rather, the government wants to restrict the penalties provided under the law, especially with regard to simple possession of this drug. It is often said that we profit by our mistakes. If a youth makes a mistake in this area, and if he is given, as an example of drug traffic, only a few ounces or a gram of this drug, he can be imprisoned for a minimum of seven years. Should a 20-year old Canadian who has had an unfortunate experience in this area automatically be imprisoned for seven years?

It is mostly this situation that the Minister of Justice dealt with when he appeared before the Standing Committee on Justice and Legal Affairs, and many people, perhaps mostly police officers, have been saying: "This problem is serious and the government wants to legalize it." This is not true, Mr. Speaker, because as I said earlier, the government only wants to simplify the situation and lighten the sentences for simple possession of this drug. I feel this is quite important. Many jurists and lawyers have stated before the courts that the law should be changed, and I believe it is because the government of Canada has listened to them that it wants to bring amendments before this House. Of course, Mr. Speaker, the Speech from the Throne also mentions Canadian unity. When the Speech from the Throne was read by His Excellency the Governor General, Mr. Schreyer, on April 14, the next day, as everyone will recall, Mr. Speaker, the government of Quebec launched its referendum campaign.

In the Speech from the Throne, on April 14, we were told:

> That is why my government hopes that the referendum, to be held in Quebec sometime during the coming weeks, will be a time when Quebeckers affirm their will and their right to be fully Canadian, a time when all Canadians will reaffirm their desire to live together in the country to which we all belong, and which belongs to all of us.
>
> Because my government wants to strengthen the spirit of Canadian unity and nurture the seeds of renewal, it promises to interpret a vote of No to sovereignty-association as a vote for the rebuilding of the Canadian federation. My government also promises to give effect to a No vote by mobilizing all the forces at its command in order to ensure the renewal of the federation in a spirit of respect and justice for all.

Mr. Speaker, today, everybody knows, of course, that on May 20, 1980, Quebeckers said no to sovereignty-association and yes to Canada. They said yes to Canada because they believed that they would find security in Canada and something basic. The empty words of Quebec politicians who supported sovereignty told us that we had nothing to lose, that we are going to negotiate. They did not say exactly what was implied in sovereignty-association. Quebeckers made their choice. They said no to that insecurity and uncertainty. So, they said yes to Canada and to a renewed Canadian federation. In that regard, in terms of renewing our Canadian federation, considerable progress has already been made. Just after the referendum, the right hon. Prime Minister of Canada (Mr. Trudeau) invited provincial premiers here in Ottawa, and on June 9, a meeting was held at which a few statements of principle were issued, some points raised for future discussion; more recently, the minister in charge of federal-provincial relations, the Minister of Justice and Minister of State in charge of Social Development (Mr. Chrétien) met his counterparts in Montreal. This week he is in Toronto; next week he will be in Vancouver.

● (1500)

Quebeckers were right, then, in saying Yes to a renewed federation, because that renewal was launched immediately in an effort to show Quebeckers that their vote in support of federalism was not just wishful thinking, and that the Quebec MPs, the 74 and even the 75 who said no to that travel into the unknown bid by the PQ government, wanted quick action. And I submit rapid progress has been made to date. Even in today's newspapers, as in days past, we see discussions are going on between provincial ministers in charge of federal-provincial relations and the federal minister, Mr. Chrétien. A consensus is sought on many points and already some aspects have been referred to a committee of officials, such as family law, communications, fisheries, and a statement of principles. So, in a very short time, Mr. Speaker, the Canadian government, the Liberal administration, here in Ottawa has proved to Quebeckers and Canadians that they want to renew the confederation and want to keep the promise they made, the one hon. members from Quebec made, to work diligently to that end.

Of course, in respect of this whole issue, I referred briefly to it when speaking on federal programs. I think members of this House must, even now, draw the attention of Quebeckers and Canadians to existing programs at the federal level and show what the implications are of the federal government as far as provinces are concerned. How many Quebeckers, how many Canadians have hon. members met who were surprised to hear about the federal government's participation or to learn that such and such a Canadian program existed!

Mr. Speaker, I think that it was a good way to show the Canadian people that the Government of Canada is not only concerned with external affairs, armament or disarmament matters, but is also anxious to make sure that all Canadians, whether in Quebec, Newfoundland, Saskatchewan, the Yukon, the Northwest Territoires, or any other province, really feel like Canadians, are really involved with their government and aware, either in Saskatchewan or elsewhere, of all the programs it has set up to provide them with jobs or health insurance or what have you.

Quebeckers in particular acknowledged this fact during the referendum campaign; in their case, I suggest that the federal government was right in explaining the situation to them, the

actual facts, the reason why they should remain in Canada with other Canadians to share with them a stronger and more united Canada, in short, to be really first-class Canadians.

Mr. Speaker, I shall conclude with these remarks on Canadian unity. I was very proud when I first read the Speech from the Throne to realize that this Canadian government is meeting head on the various problems now facing us. I have dealt briefly with the various issues, Mr. Speaker, but I am very happy to speak in the House and tell my constituents that thanks to the Speech from the Throne, we will be able to prepare many pieces of legislation—some of which have already been introduced and adopted—to improve the lot of Canadians, Quebeckers and also, I hope, the people in my constituency of Lotbinière. That is why, Mr. Speaker, I endorse the Address in Reply to the Speech from the Throne, and give my unqualified support to the government of Canada.

[*English*]

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is a pleasure and a privilege for me to take part in this debate in reply to the Speech from the Throne.

I will start out, as many others have done, by congratulating Madam Speaker, through you, on her appointment. We have had a chance to see how she conducts the affairs of this House, and we all agree that she is going to be a first-class Speaker.

In addition, I would like to thank the constituents of Portage-Marquette for returning me here. I was first elected to the House of Commons in May of last year. I had the opportunity and the privilege to run as a candidate again and I was elected once more to represent the constituency of Portage-Marquette.

Portage-Marquette is a large rural riding in central Manitoba. It stretches approximately 15 miles east of Portage la Prairie all the way to the Saskatchewan border. It is over 200 miles in length. As I have said, it is a largely rural riding, Portage la Prairie being the largest city with some 15,000 people. It takes in a good many small towns which are and have been servicing agricultural communities, such as MacGregor, Austin, Carberry, Gladstone, Neepawa and Minnedosa. The riding stretches to the Saskatchewan border where we find towns such as Shoal Lake and Russell.

My riding is a great productive agricultural one. Not only are vegetables grown in the riding, but they are also processed at Portage la Prairie and Carberry. Many diverse crops are grown. We also find considerable livestock including both cattle and hogs. I thank the people of Portage-Marquette for seeing fit to return me here for a second term in this House of Commons.

Now I would like to talk a little about some of the items mentioned in the throne speech, specifically under the heading "Developing our Economic Potential". In that section there is a reference to agriculture. At this point I will quote from the Speech from the Throne. At page 6 of *Hansard* for April 14, 1980, the speech reads as follows:

> My government regards the production, transportation, handling, and marketing of prairie grain as a national priority. Rail facilities will be upgraded, and port facilities improved.

This was welcome news in the throne speech, but unfortunately since that time a lot of things have happened which have been exactly opposite to maintaining and upgrading rail facilities. In this connection I refer specifically to an article which appeared in *The Brandon Sun* for Saturday, July 12, 1980. On the front page the article is headed "Reeve blames Liberals for loss of Miniota CP line". The first paragraph reads as follows:

> Blanshard Reeve Frank McPhaden blames the re-election of the Liberals and not a last-minute appeal for the loss of the Miniota CP Rail subdivision.

This seems to me to be very strange when one reads the throne speech in which it says that rail facilities are going to be maintained.

Because we have such a large rural riding, grain transportation facilities, and rail facilities in particular, are extremely important to the riding of Portage-Marquette. Yet the reeve in my riding blames the Liberals for the loss of a rail line. That is only one line, namely the Miniota subdivision. It is a line that is in very good shape and it is made up of 85-pound steel. It is in about the same condition as some lines that are being upgraded. It would not entail very much maintenance, if any, to keep that line in operation and the Liberals are being blamed for the loss of the line.

In addition to that, there are several other branch lines in western Canada about which concern is being expressed for their survival because of statements which the Minister of Transport (Mr. Pepin) has made. A month ago at a committee meeting on June 5, the Minister of Transport called into question the maintenance of some 30 branch lines which had been put into the permanent network by the previous minister of transport, the hon. member for Vegreville (Mr. Mazankowski). Approximately 1,000 miles of these lines were put into the permanent network as a result of a study by the hon. member for Moose Jaw (Mr. Neil). This study was conducted during last summer and it resulted in the report which has come to be known as the Neil report. The then minister of transport acted upon that report and as a result, and through orders in council during the first week of January, approximately 60 per cent of the line at which the hon. member for Moose Jaw looked was put into the permanent network.

● (1510)

Since then, the future of these lines has been called into question. It is causing much concern to the producers in western Canada who, as a result of the orders in council, thought that this branch line issue had been settled. The Minister of Transport said at the committee meeting that he was not willing to accept the criteria on which the decision was made by the hon. member for Vegreville to put those lines into the permanent network. This to me is a very unfortunate situation because what we have now is a case where the grain companies and the two railway companies involved, the CNR and the CPR, are now uncertain about the future of these lines.

My concern is that if all these lines are not kept in the permanent network, they will probably be referred to the Canadian Transport Commission. This means that they will have to go through the regular process of holding hearings before a decision can be made on what should happen to them. This could take three years, four years or perhaps as much as five years. During that period of time the rail companies will not know whether they should spend any money on these lines and, in all probability, they will not spend any money because of the uncertainty that if they do spend money and the line is abandoned, it will be money which was not spent wisely.

In addition, the grain companies will not be in a position of certainty to know whether or not they should maintain their facilities. What we will have is a situation, if it is allowed to drag on, where these branch lines will be abandoned simply because of the indecision of this government. This is strange to me considering that the government said in the throne speech that "rail facilities will be upgraded and port facilities improved".

It seems to me that what has happened in the three months since the throne speech has been exactly the opposite in terms of rail facilities. I find that very unfortunate, and I urge the Minister of Transport to clear up this matter and indicate that he is willing to see the lines which were put into the permanent network by order in council remain with service guaranteed to the year 2000. I urge the minister to see that those lines remain. The sooner he makes a statement to that effect the sooner he will get rid of the uncertainty which clouds these lines in western Canada. It is affecting something like 7,000 or 8,000 producers in the three prairie provinces, and the sooner that decision is firmly made, the better it will be for everybody in terms of knowing where they are going with regard to rail transportation.

The next thing which was talked about in the throne speech after rail facilities was that port facilities would be improved and upgraded. I would like to make reference to two ports, the Prince Rupert project and what is going on in the port of Churchill.

Churchill has exported not a lot but a significant amount of grain. This is very important to the people in that town who depend on grain for jobs during the summer. It is basically the only employment available to the port of Churchill over the summer. I had the privilege of travelling to Churchill with the former minister of transport last November 21 when the MV *Arctic* came in with the icebreaker *Pierre Radisson.* In using the icebreakers, the season was extended by approximately three weeks. This was a boost for the port of Churchill and it signalled to that port that the previous government was serious about trying to make as good use of that facility as it possibly could.

As I found out during my trip to Churchill, Canada has one of the best icebreaking technologies in the world. It was a very good idea to make use of that ice-breaking technology in terms of extending the shipping season at Churchill. Our record as a government in terms of making use of the port of Churchill is excellent. As I said, we extended the shipping by making use of ice-breaking technology by some three weeks, which had never been done before.

It was also the intention at that time to bring in an icebreaker to open the port earlier than usual. If the government had followed that plan, the port of Churchill would have opened earlier than normal. Unfortunately, what it looks like for this year is that the port of Churchill may not be in a position to ship very much, if any, grain at all. I have a telex dated July 4 which says:

> Canadian Wheat Board announced on July 4 that no grain would move through Churchill this season unless farm deliveries increased.

They are blaming the fact that farm deliveries are down for not having enough grain to get to the port of Churchill. That is a rather flimsy excuse. If the government were really serious about making use of the port of Churchill, there were three or four months prior to July 4 during which farmers were delivering grain and the CN was hauling grain to Churchill. If the government had been serious about making use of the port of Churchill to the extent which it can be used, it would have had grain shipped to that port ready for export. I find it unfortunate that we will not be able to make use of the port of Churchill this year to the extent it should be used.

I would like to refer briefly to the port of Prince Rupert, which has long been known as a good port. The facilities there for handling grain are not necessarily what they should be in terms of meeting Canada's exports in the future. The goal of all parties, I think, is to increase our exports by 50 per cent, or to attempt to get to a point where we can export 30 million tons of grain out of Canada by 1985. To do that, we must make better use of the port of Prince Rupert.

Within two months of the previous minister of transport, the hon. member for Vegreville, assuming office he had a memorandum of understanding on the construction of the new facility at Prince Rupert. This required a considerable amount of negotiation, I am told. There was a considerable amount of good will on both sides in order that this agreement of understanding could be signed in such a short time. Within less than two months of the now Minister of Transport assuming office, he called into question the whole construction timetable in so far as the port of Prince Rupert was concerned. The Minister of Transport did this by questioning the amount of money which the federal government would be willing to put into the port to handle the cost of some of the infrastructure. In addition, upon assuming office the previous minister of transport, the hon. member for Vegreville, also approved the site at Ridley Island and reached an agreement with the consortium, based on some $40 million of federal government money being available to handle the cost of some of the infrastructure. Unfortunately that has been delayed. The deadline for signing the agreement, I understand, has been postponed three times from the original date of March 30, 1980. The final date for signing, as I understand it, has not yet been set.

What we have seen in the period of time that this government assumed office is that the port of Churchill will not be used to the extent that it should be and that the timetable for

the construction of facilities at Ridley Island in the port of Prince Rupert has been delayed.

I find the concern of the government over spending money to see that western Canada is in a position to export some of its products, which would contribute to the benefit of the whole country, inconsistent with the statement in the throne speech that rail facilities will be upgraded and port facilities improved. It seems to me that what has happened during the three months since the throne speech is the exact opposite to what was referred to in the throne speech.

Another area of transport to which I would like to refer concerns air service to the city of Brandon. My constituency runs very close to the city of Brandon. In fact, the Brandon airport is in the constituency of Portage-Marquette, so this matter if of very great concern to me as well as the hon. member for Brandon-Souris (Mr. Dinsdale) and other hon. members from western Manitoba and southeastern Saskatchewan. Last November the then minister of transport changed the air transport policy to allow a regional air carrier to apply for a route between Calgary, Brandon and Toronto, but nothing has happened since then. PWA applied for that route but no hearings have been scheduled, although I am told they are supposed to be held in the fall.

● (1520)

Almost a year after the policy was changed by the previous minister in order to allow an adequate service between Brandon and points east and west, nothing has happened. Brandon is a productive and aggressive community of some 40,000 people and services an area of some 140,000 people in southwestern Manitoba, so it needs and deserves a jet air service. The government has done nothing to see that the service is made available, however. I find this rather unfortunate, Mr. Speaker.

Just this week I was somewhat infuriated when a press release came to my attention stating that Frontier Air Lines had been granted a licence to serve Saskatchewan cities. This is an American airline based in Nevada, yet it was granted a licence to fly between Saskatoon, Regina and Minot, North Dakota, and on to Denver without a hearing being held. This foreign carrier applied for and was awarded a route without a hearing, yet a Canadian carrier willing to provide a needed service that would be well supported, and without subsidy, was told that a hearing was necessary. PWA was the only applicant for the route to service Brandon. The government does not seem to have the courage to instruct the CTC to set a date for that hearing. This is a rather shocking way to deal with constituents, Mr. Speaker.

In his remarks the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) said that he was interested in a fair deal for all constituents in Canada. I take him at his word and hope he will prevail upon the Minister of Transport to set a date for a hearing so that we can supply a first-class air service to an area of the country that so badly needs it. This is particularly important in view of the fact that a licence was granted without a hearing to an American airline to serve an area of western Canada.

In the throne speech the government said that a meat import act would be introduced in order to protect consumers and producers. The drought in western Canada is serious and will cause problems for the rest of this year and next year as well. That is assuming that we have normal rainfall and a normal growing season for 1980-81. Cattle and grain produced now will not necessarily be sold for another year. The lack of moisture over the last six months has already had its effect on what will be offered for sale in 1980-81.

The cattle industry has been calling for a beef import law for a long time. It was sorely needed in 1976 when Canada was the only major importing country with open borders for beef. In that year both Australia and New Zealand sold very large quantities of beef in this country at prices lower than those in the United States. At that time the United States had a beef import law which protected cattlemen and precluded excessive imports from offshore.

When the Conservative government was formed over a year ago, one of its priorities was a beef import law. I understand that the legislation was ready and would have been introduced in the last week before Christmas. This government, however, has shown no intention of introducing such legislation in this session. This is a very important piece of legislation, as beef producers are now making the decision whether to increase or decrease the size of their herds. The lack of rainfall and the resultant lack of feed has led to the present critical conditions. If producers knew that the government cared enough to protect them from excessive imports such as was the situation in 1975-76, they would be encouraged to breed more animals and thus make more beef available.

Unfortunately the government has not seen fit to give this legislation any priority. I would argue very strongly that it should be brought forward and dealt with as quickly as possible.

Last year, with some other members from this side of the House, I had the opportunity to sit on a beef import consultative committee which made recommendations on what the beef import legislation should contain. The guaranteed minimum access levels that Canada is committed to under the GATT negotiations imposes certain limitations on the legislation but if the legislation the government proposes is anything like the legislation the previous government intended to introduce, I am sure it would receive support on all sides of the House and could be dealt with very quickly. It is unfortunate it was not brought forward in this session. It should have been the law of the land by now and would certainly have been of use to beef producers when planning their future beef herds.

Another area of concern is the Two-Price Wheat Act. The government has not seen fit to introduce a bill on this subject but instead a Senate bill to amend the act is before the House for consideration. This is an urgent problem. As a poor crop is expected in western Canada, this bill would be welcomed by producers who will have less for sale this year than in previous years. If the government were serious in its attempts to have

this bill passed, I am sure it would receive the support of this side of the House. Unfortunately, however, it has been dealt with as "filler" legislation brought in on three or four successive Friday afternoons in order to round out a week's activity. It deserves better, Mr. Speaker.

I have one more comment to make before I close, Mr. Speaker. It is unfortunate that the government has not set the initial price of wheat higher than the present level. The initial price for the next crop year is 25 cents per bushel less than the initial price producers are presently receiving. I find this rather shocking in view of the fact that grain prices have increased. There is really no reason why initial grain prices could not be increased substantially.

I should now like to refer to some comments made to me in the House on May 16 by the Minister of Agriculture (Mr. Whelan), as reported at page 1176 of *Hansard*. At that time the Farm Improvement Loans Act was under debate. I was making the point that producers would be interested in receiving more for their products so that they would not have to borrow money. When you borrow money you have to pay it back. I urged the minister seriously to consider increasing the initial price of grain. I had been referring to the minister responsible for the Canadian Wheat Board who sits in the other place when the Minister of Agriculture replied as follows:

He is, and he is very much aware of it.

I replied that I heard the Minister of Agriculture talking about increasing the initial price and he replied, "It will be done."

That was May 16, Mr. Speaker, but so far we have not seen any action. I would encourage both the Minister of Agriculture and the Minister of State responsible for the Wheat Board to increase the initial price of wheat. This is something that could be done very easily, would be well received and is long overdue for western grain producers.

● (1530)

In closing, in the three months since the throne speech was delivered on April 14, we have seen some great inconsistencies in what is contained in the throne speech with regard to agriculture. If the government is serious about keeping some of the commitments it made in the throne speech, I urge that it look very seriously at addressing some of the problems I have tried to point out here this afternoon.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it is really encouraging to see a western member occupying the Speaker's chair in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Waddell: At the conclusion of his remarkable speech when he was urging the building of a Canadian transcontinental railway, Sir John A. Macdonald, then prime minister of Canada, had this to say as reported at page 494 of volume one of the *Hansard* debates of 1880-81:

I can trust to the intelligence of this House, and the patriotism of this country, I can trust not only to the patriotism but to the common sense of this country to carry out an arrangement which will give us all we want, which will satisfy all the loyal legitimate aspirations which will give us a great, an united, a rich, an improving, a developing Canada, instead of making us tributary to American laws, to American—

—gas companies—

—to American bondage, to American tolls, to American freights, to all the little tricks and big tricks that American—

—gas companies—

—are addicted to—

I have made a change in two places in that speech by Sir John. In two places I changed the word "railways" to "gas companies". Otherwise that is the verbatim statement of Sir John A. Macdonald in this very House in discussing the building of the Canadian Pacific Railway.

Mr. Kempling: How can you change words and say it is a verbatim statement?

Mr. Waddell: I want to use those remarks and refer to a decision that is being made this very afternoon by cabinet somewhere in this building, or on the Hill, probably one of the most important decisions for Canada. In the Speech from the Throne, the government in its own words says that pipelines are really like railways; that what railways were in the nineteenth century, pipelines are in the twentieth century. Today the cabinet of Canada must decide what they are going to do about authorizing the pre-build of the Alaska highway natural gas pipeline.

The minister of trade was here a minute ago. I thought he might be interested in this. The economic development agency in the United States, in a pre-hearing procedure this week, suggested that it might have the United States back out of Canadian gas imports, back out of the sales. I suspect that cabinet this afternoon must be asking itself why we are sticking our neck out in approving this pre-build if the Americans are going to act that way. I suspect that is one of the elements in the delay today, yesterday and before that.

I like to think that myself and my party had something to do with the delay in pressing for rejection of this crazy scheme, but I think I am honest and probably realistic enough to know that the delay was probably a deliberate action by cabinet, that they were about to make a very big mistake and the Americans do not deserve to get this handed to them on a platter.

I equated pipelines with railways and I quoted Sir John because the pipeline issue today involves some of the issues that involved railways in the past, including the whole issue of Canadian independence. The whole issue of Canadian energy security is the reason for some of the questions I put in the past week and a half to the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Lalonde). It also raises the whole issue of the role of Parliament.

In addition to the members and the press, I notice there are full galleries in the House today with many Canadians visiting here. I would like to try and simplify what is involved in this

so-called pre-build. I suspect that most Canadians do not understand it, or better still are just coming to an understanding of what the whole issue is about before it gets railroaded past the House of Commons and through cabinet by the gas and oil companies.

This goes back to 1968. In the late sixties oil was discovered in Prudhoe Bay, on the north coast of Alaska. I have been there; it is a very desolate place. In winter the temperature goes down to about 78 below.

Mr. Nielsen: That's warm!

Mr. Waddell: The member for Yukon (Mr. Nielsen) says that is warm. I say it is a cold, desolate place. To use the words of an engineer who, in his Louisiana accent, said, "We have a real elephant here.", they do. They found oil there in the late sixties. Of course, the large multinational companies cornered the oil fields and the market. Coming from Alberta, Mr. Speaker, you know that when they pump for oil, there is gas as well. Sometimes the gas is injected back into the well to keep up the pressure. That is what is happening in those great fields in Prudhoe Bay, Alaska, at this moment.

A pipeline was built to take Alaskan oil to the lower 48 states. Unfortunately—and I say that because it was probably the wrong direction—this pipeline, which ended up costing $8 billion and was supposed to cost $700 million, went from Prudhoe Bay to Valdez. I have been the entire route of the pipeline. Let me tell hon. members that it is an engineering marvel across Alaska. The problem is it drops the oil in Valdez, on the southern coast of Alaska, and the oil has to go by tanker past the magnificent beaches of British Columbia, near my colleague's riding and my own on the west coast of B.C. These beaches are in danger of a big oil spill. However, that is another matter. The pipeline should have been built down the route of the Alaska highway. It would have made more sense. However, the government of the day did not have its act together—and we have the same problem now—and could not get the approval in place for the overland pipeline, so that is the way it was build.

So much for all that oil. It is going now. What about the gas? They need the gas. I am told by an expert in Canadian gas that the gas is worth between $100 billion and $125 billion, a lot of money. It is just sitting there. It will have to be brought out as it is needed in the United States. There was a proposal that Canada help the Americans. Why not? We will help them out if we can.

The notion was that they build a pipeline. They were going to build a pipeline from Prudhoe Bay through the Mackenzie delta to pick up Canadian gas, bring it down through the Mackenzie valley and take it down to points in the lower 48 states and in part to eastern Canada. There were disputes and hearings about it. That is what the Berger commission inquiry into the Mackenzie valley pipeline proposal was all about—something I spent three years of my life working on. There were magnificent hearings and there was magnificent public participation in that inquiry. It was pretty obvious that we were not ready to bring our gas down, first of all because we really did not have it on stream in the Mackenzie valley and, second, because we were not ready in terms of the social impact on the native people and other people in the Mackenzie valley to have the pipeline constructed.

● (1540)

It was therefore suggested by Bob Blair of Calgary that another pipeline be built to follow the route of the Alaska Highway and that it bring American gas to American markets. That made sense. We were giving it access across our country, but Canada would benefit because we could hook up to our reserves in what we call the Dempster lateral from Whitehorse up to the Beaufort Sea.

Mr. Nielsen: Dawson.

Mr. Waddell: Dawson, to be precise, a little north of Whitehorse.

Mr. Nielsen: A little over 350 miles away.

Mr. Waddell: We were going to hook that up, plus we were going to provide some jobs, get some construction contracts.

What was the position of our party in the House of Commons? Let me make the position of our party very clear on that issue. Our party is a democratic party so we are bound by our convention resolutions. Our convention in 1977 passed a motion to the effect that we were agreeable to that pipeline provided there were proper environmental safeguards in place and provided that there were sufficient jobs for Canadians. The Canadian government, as in the case of many other things, made a hash of the negotiations with the Americans and did not get a really good deal for Canada. We approved the pipeline in principle but we voted against the specific bill because it did not give those particular job guarantees and so on. That was our position. We are not against the notion of the pipeline.

That is what happened and Parliament passed the northern Pipeline Act in 1978 for a gas pipeline to transport American gas through Canada to the lower 48 states. That line was set out, and it is interesting to read the speeches of the Minister of Finance (Mr. MacEachen), the President of the Privy Council (Mr. Pinard) and other people who took part in that debate. If you read those speeches it becomes quite clear that Parliament was to be consulted. The Minister of Finance said that in his speech, as reported at page 4120 of *Hansard* of April 4, 1978.

The President of the Privy Council told us not to worry, as reported at page 2894 of *Hansard* of February 15, 1978. He said the whole pipeline would be built, that there would have to be financing for the whole pipeline, that we would be protected against non-completion; and in all the committee hearings there was statement after statement by one government member after another that legislation would ensure that there was financing for the whole pipeline and that there were commitments that the whole thing would go. The Americans, they said, wanted the pipeline and they should finance it. Well, that made sense.

Problems erupted. The Americans, for whatever reason—and I will suggest a reason in a moment—could not raise the money to finance the pipeline. Exxon, to be specific, was giving the pipeline agency difficulties in putting in a financial guarantee for the building of the pipeline in Alaska. I will tell you why, Mr. Speaker. That gas up there is worth $100 billion to $125 billion. The oil company is in no hurry to get it out. Leave it in there for a few years, until the 1990s then bring it out. It will be worth four, five, ten, 20 times that amount—some $500 billion. They are banking it up there, that is what is happening. Where can they get gas in the meantime? "Let us call on our good friends in Canada." So they approached Mr. Blair.

Let me go back for a minute and remind the House that Canadian arctic gas executives from Toronto once said—and I was there at the time—"This guy Blair will never be able to get the financing for this line." So he said: "Sure I can get the financing for the line", and he was made businessman of the year. He was a wonderful man; he said he could get the financing. But the others were right, Blair could not get the financing, so he came back and proposed to the Canadian government: "Well, let's just amend the act; let's make a pre-build of the pipeline. Let us take Canadian gas and pay for the whole pipeline by shipping out Canadian gas."

Today the Government of Canada—and I cannot believe the Minister of Industry Trade and Commerce (Mr. Gray) can sleep at night after making this decision—is prepared to okay an export pipeline to take away Canadian gas, to suck out Canadian gas and to send it to the United States, two trillion cubic feet of it.

I raised in the House, to the yawns of the ministry, another agreement. It was called a backstop agreement. In that backstop agreement TransCanada Pipelines, a Canadian company, said they would guarantee that gas would go through there. So we saw the ludicrous situation that if the whole line is never built and it never takes Alaska gas, not only will we first of all sell our Canadian gas at cheap prices, but we will even guarantee that gas will go through there. This means that TransCanada will have to send Ontario gas down from Ontario, through the pipeline, and back into Ontario.

I called it bizarre in the House of Commons. We had a great pipeline debate about keeping the pipeline in Canada and about shipping Canadian gas through Canadian pipelines. I find it strange. Nevertheless, Mr. Speaker, you may say: "Well, Canadians are not stupid; obviously, if they are going to send this gas out, if they are going to send out all this Canadian gas, now up to four trillion cubic feet, from Alberta, here is what they will do. They will get an agreement from the Americans; we will swap; we will give them that gas now and then, when they build the whole pipeline up to Alaska, we will get Alaskan gas."

I asked the minister about this and I discovered there are no swap agreements in the scheme. So what do we do? We sell out all the cheap Canadian gas and then later on we will have to pay a lot of money, two, three, four times as much. Canadian consumers, out of their pockets, will have to pay that because we sold all their gas off at a cheap rate to the Americans with no swap provisions. I asked the minister about this in the House. Do you know what his reply was, Mr. Speaker? He said, "Well, when I was at Venice last week I had some discussions with the American secretary of the interior and we tried but we didn't really get anywhere."

I asked him about guarantees. I said that if you are going to pre-build this part in the south, how about a guarantee that the whole thing will be built? After all, this is a $600 million project. That whole project will cost $22 billion, $8 million of which is incurred in Canada. Wouldn't that make sense? The minister of industry must be concerned about jobs, of course he is. But what is the point of providing one-tenth of the jobs if, when you hold out and are tough and you put this thing over for a year, you postpone it for a year, you could go back and really get American guarantees? I tell the minister we could get the whole loaf, not just one-tenth.

Senator Olson sends telegrams. I have seen his telegrams. Senator Olson, the lobbyist for the oil and gas companies, goes out and gets these telegrams. They are from gas companies and from some trade unions—

Mr. Gray: A lot.

Mr. Waddell: No, from some, not all of them; from some trade unions who are worried about immediate jobs, as well they should be. But other trade unionists realize that in the long term there are ten times more jobs there, and in the long term there will be jobs in terms of constructing a pipeline to the maritimes. But it has stopped at Quebec; they wouldn't make a pipeline to the maritimes. There would be jobs in terms of making a pipeline to Vancouver Island. We have had no commitment on that.

Now, I ask this question, Mr. Speaker. As the cabinet makes its decision today, where does the minister of energy stand? I have a great deal of sympathy for him because I think that one part of his energy policy—to move Canadians off expensive imported oil to cheaper Canadian gas—makes a lot of sense. I think that makes sense, and I think it makes sense to Canadians. But it surely does not make sense to Canadians if they are told that and then told that we sold all their cheap gas five years ago.

● (1550)

I cannot see how the Minister of Energy, Mines and Resources can live with that. When he was in opposition he said he would agree with the pre-build if we got some gas swaps and some ironclad guarantees that the whole line will be built. I asked him in the House, "Can you stand up with a straight face and tell me that those are ironclad guarantees?" I was referring to a resolution of Congress which does not bind the future Congress and which does not spend one bit of money. There was a commitment by private companies to do studies. There was reference to 2 per cent of the project. I know the government has a letter in its back pocket from President Carter which says he is in favour of it too; but he is not prepared to commit money, and we do not know how long

he is going to be around. However, it is no commitment at all, and I do not say that in a partisan way. I say wait, we can get a better commitment.

I hear some Liberal backbenchers putting in their two cents' worth. Let me address some remarks to them. One of the big issues in this particular matter is the role of Parliament. There was a Northern Pipeline Act passed. That was what Parliament wanted, and hon. members opposite said that there have to be guarantees. The Prime Minister says he is going to get around parliament; he is not going to come back and he is not going to have a debate. He will not have a debate in Parliament. He will not bring in a change in the act. He says it is like the St. Lawrence Seaway and that this is only building one little part. You build one lock and then another lock. Does that make sense? It is like approving the St. Lawrence Seaway and building the Erie Canal. It is approving a transport pipeline from Alaska and building an export pipeline from Alberta, and that is not logical.

The Prime Minister was being a sharp Philadelphia lawyer in deflecting those questions. He knows full well that it does not make any difference, but I think one of the reasons he is afraid to have a debate on this matter is that he would have to have a vote if he brought in legislation, and I suspect and hope there would be some Liberal members from the industrial cities of the east who might oppose such legislation.

What are they going to tell their constituents? Are they going to tell them that it will cost four or five times as much for gas in the future because of this decision? How are they going to explain that? Some of them might vote against it.

I refer hon. members opposite to the Liberal Party of Canada convention program, *projet de manifeste* or discussion paper at page 50, where it says the following:

> The Government of Canada must be in the position to judge the energy security of each region and area of Canada. The operations of the oil and gas industry must be thoroughly understood and the national interest assured.
>
> (a) As far as is practicable, a distribution network should ensure that all regions of Canada are linked to the provinces rich in energy resources.

Look at what the government is doing. It is taking gas and selling it out to the United States. Hon. members opposite are making a farce of their own energy policy. They are making a farce of their own convention policy. Is that the leadership that this government is giving? I hear about the new Liberals. Where are they?

Mr. Tobin: Right here.

Mr. Waddell: Are they prepared to stand for this program? Where are the new ideas?

The discussion paper also states, and I quote:

> (b) Exports of energy or energy sources should be very carefully assessed to guarantee Canada's long-term interests.

If the government approves the pre-build, the government will sell out our cheap gas to buy back expensive gas in the future.

I want to conclude by making reference to two things. I want to refer first to the position of my own province of British Columbia. If British Columbians and the government of British Columbia are worried about a proposed export tax on gas, that is chicken feed compared with what this pre-build is going to do. This pre-build will lock in all the gas in British Columbia and all the gas exports. It will be the end of the present markets for British Columbian gas. I am surprised at my hon. friends to the right, the Conservatives. I am shocked. There are 16 members from British Columbia, and not one of them has put British Columbia's interest ahead. It was the Prime Minister who had to stand up and count noses— "Are you in favour? Are you in favour?"

The other day the Conservatives tried to take cheap political advantage of the Liberals on the issue. They did not set out their own position, and it turns out that they are in favour of the pre-build. As a matter of fact, they approved a lot of gas exports. The 16 Conservative members from British Columbia are selling out British Columbia. I do not think he intended to do so, but in a sense the Prime Minister misled the House this afternoon when he suggested that western Canada was for this pipeline.

I read the telegrams from Premier Lougheed and the gas companies. What about those gas companies? Let us be fair; they are Canadian gas companies. They have a cash flow problem, and they have a surplus of gas. Last week Evelyn Gigantes, the MPP from the Ottawa area and our party's energy critic in the Ontario House, and I proposed that Ontario buy $1 billion worth of gas from those small companies and bank it in the ground in Alberta. We proposed that it not be given away to the Americans but left there for the use of Canadians in a few years. I see an hon. member shaking his head. That proposal sounds sensible to me. It sounds like a sensible idea, and if the hon. member has reasons why it would not work, I wish he would tell me. But it seems to make sense for Ontario, Quebec and other provinces.

Let me conclude finally on this note: We on this side of the House take a position which is quite clear: we are against the pre-build. We think it is a sellout. We think it is different from the act. We think we can get a better deal. We would agree to the pre-build if we could get two things. The first is gas swaps so that we could get gas later on and keep our energy security. The second is that we get guarantees that the whole line will be build.

I am not known for being non-partisan, but I am trying to say this in a non-partisan way because I know the cabinet is meeting. The Prime Minister asked for representations, and I am giving him my representations in the best way I know. It seems to me that the policy put forward by the Minister of Energy, Mines and Resources when he was opposition energy critic was a sensible policy. He was right, and now hon. members opposite are going to turn around and destroy their whole energy policy.

In any case, I want to finish by saying that we on this side of the House have said that there is another issue. Oh, it is perhaps not as well known or as big, but it is just as important. That issue is the rights of Parliament. That is why we are digging. We are digging in because Parliament really is

becoming obsolete. The power has been centralized in the cabinet. We really have a dictatorship between elections.

Do hon. members opposite want to take away the whole intent of the law of Parliament without coming back to Parliament? They have the votes. Let them come back to Parliament and pass an amending act. We will wait here. We get paid to come here, not to go home and take three months' holidays. We will wait, listen to the debate and vote. Let us get the guarantees and the issues out so that the Canadian people will understand. That is what Parliament is all about. That is what Sir John A. Macdonald was talking about when he spoke in Parliament.

The Prime Minister asked for representations today, and on behalf of the New Democratic Party I have tried to give those representations.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I will start out by saying that the best proof that democracy is alive and well in Canada and that we have not in fact been reduced to dictatorship is the fact that the kind of rhetoric we have just heard is listened to—although perhaps not always quietly—and put up with in this most distinguished chamber. I want to tell the hon. member for Vancouver-Kingsway (Mr. Waddell) that I was impressed by his arguments, by his style and by his ability to communicate his thoughts. He almost had me going for a while. If only the hon. member and his party were consistent, I think he would have had me going, perhaps trotting across the floor or something or other.

• (1600)

If the hon. member and his party showed the same kind of concern, the same kind of conviction in Canada during April and May when the referendum was on, that he showed in the House today, I may have taken him seriously, Mr. Speaker. At a time when most of us in this House—and I give the Conservatives and the Leader of the Opposition (Mr. Clark) credit—were concerned about the future of this country, at a time when most of us in this House miss no opportunity to stand up and be counted for Canada publicly—

Some hon. Members: Hear, hear!

Mr. Tobin: —at a time when we did that, where were the NDP? Silent. Let me tell you why, Mr. Speaker. We have opposite a party of media junkies. They must have their daily or weekly fix.

Some hon. Members: Ha, ha!

Mr. Tobin: We all know that for some time we have been talking about adjourning this session.

An hon. Member: Who is taking a fix now?

Mr. Tobin: We have been talking about adjourning the House tomorrow, and all of a sudden we have developed in the benches opposite a matter of great national concern. On Friday hon. members are going to represent the Canadian people perhaps until three o'clock or four o'clock Saturday morning, because I will be here. They are going to put on a little display, another fix. You can see them jittering in their boots. Anyway, they have had their fix; now just sit quietly and I will tell them what the government has done since we brought in the throne speech three months ago.

An hon. Member: Yes, fill us in.

Mr. Tobin: I would like to examine some of our policies and enlighten them on the good things we are doing.

I would like to express a number of concerns, Mr. Speaker. We spoke about the importance of responding to individual needs—nothing that hon. members opposite know anything about; they have a cloning process over there. We wanted to bring some assistance to those who need help most in Canada, in particular senior citizens. We have done that. We brought in legislation which will mean a $35 increase, as we promised those receiving the guaranteed income supplement in Canada. My only concern about that is that some of the provinces in Canada—I can single out my own, Newfoundland—are not passing on that $35 to senior citizens; they are pocketing most of it and putting it into general revenue.

The hon. member opposite was talking about energy. That is one of the issues mentioned in the throne speech. This is the party which in the last federal election published a paper called "An NDP Made-in-Canada Energy Policy". It was 26 or 27 pages long. Do you know, Mr. Speaker, there was absolutely no reference to that great energy potential in Canada today, Newfoundland's Hibernia, and Ben Nevis in Nova Scotia. I think it was 42 pages long. I think they had the idea that probably Canada stopped at Toronto. As a matter of fact, the election results would indicate that, so far as the NDP is concerned, Canada does not go any further east than Montreal because they have been wiped off the electoral map in Atlantic Canada. And is it any wonder?

Mr. Knowles: How far west do you go?

Mr. Tobin: We go right across the country.

An hon. Member: This sounds like Newfie blarney.

Mr. Tobin: Listen here, m'son, I may twin with you!

Some hon. Members: Ha, ha!

Mr. Knowles: You stopped at Waverley Street in Winnipeg.

Mr. Tobin: First, let me speak for a moment about the Canadian energy policy in Newfoundland. In my province we have on our doorstep today, as we are told every day the estimates are higher, massive potential for development which is becoming more certain every day. We believe in our province and we look upon this potential development as an opportunity to strengthen our social and economic fabric. But despite what some provincial politicians are suggesting, we also look upon this potential bonanza as an opportunity for a province which for 31 years has been sharing in the wealth of this country, the tax dollars of this country, to contribute to the well-being of all Canadians.

Some hon. Members: Hear, hear!

Mr. Tobin: I become a little upset with the opportunistic type of comments and with the politicians in this chamber who want to raise falsely the expectations of Canadians and who carry the proverbial stick with the perpetual carrot dangling from the end of it. The Quebec referendum is the best example. I do not know how you can live with yourselves.

An hon. Member: It is sad.

Mr. Tobin: It really is sad. We in Newfoundland expect the lion's share of Newfoundland's offshore development, but in terms of strengthening our economy and our social fabric, we also look forward to sharing with the rest of the country.

One of the things about which we are concerned is what we hear more and more every day from the provinces, and this is why the constitution must be repatriated. For example, in my province we hear that only Newfoundlanders will work in Newfoundland, says Brian Peckford; and only Nova Scotians will work in Nova Scotia, says John Buchanan. Only Newfoundlanders will catch fish in Newfoundland waters, says Brian Peckford; and only Nova Scotians will catch fish in Nova Scotia waters, says John Buchanan. And René says the same about Quebec. All across the country we have premiers who claim to the representing the best interests of their people, who claim to reflect the aspirations and concerns of their people, who, I think, are really divorced from the concerns and aspirations of their people.

We talk now about an oil pricing agreement, and whether or not we will go to world prices, which Alberta would desire. I am sure we are going to reach a reasonable compromise in these oil pricing talks, because I can tell the House now that Newfoundlanders are good Canadians and Newfoundlanders look forward to sharing the potential of our shores with all Canadians.

Some hon. Members: Hear, hear!

Mr. Tobin: But, as we say at home, what is sauce for the goose had better be sauce for the gander. I would be disheartened and surprised, shocked in fact, if we saw an oil pricing agreement with Alberta that was not in the best interests of all Canadians. Because we are going to go to Newfoundland very soon, all of us, to tell Newfoundlanders: "Let us have a sharing of resources to the benefit of all Canadians". I hope we will practice very soon what we shall be preaching in the months and years ahead.

Earlier I mentioned another area on which I am pleased to hear our government is taking action. We have singled it out in the throne speech. It is the question of the free movement of goods and people across borders, an issue about which many of us in Atlantic Canada are concerned. After a few months here I have confidence that this principle is one that this government will do no less than enforce in this country.

With regard to Petro-Canada, I have to get a poke in there. Do hon. members know that Petro-Canada is a 25 per cent owner of the Hibernia oil development off the shores of Newfoundland? We have heard members opposite talking about the Liberals' lack of concern for Canadians. The same members opposite would like to take credit for Petro-Canada. In the Speech from the Throne we indicated that we would strengthen Petro-Canada. We have done that with $80 million. It is a national oil company whose concern is the Canadian people.

• (1610)

I said that I would be short, but as a rookie member of Parliament I should like to say simply that I have sat in the House and have not said a great deal. I am a cynic by nature, but by sitting on this side of the House I have found men, particularly in cabinet, who are men of principle and integrity. They have lived up to the thrust, ideas and convictions put forward in the throne speech debate. I look forward to a very successful four years, five years, ten years, or 15 years on this side of the House.

Mr. Knowles: You are not staying very long, are you?

Mr. Tobin: I would only say one other thing. Perhaps one could call it naive, but as a rookie politician I was surprised, on matters of national importance and concern regarding the energy pricing agreement and the referendum, at the amount of politics.

Like everyone else, I put the best possible face on the policies of my party; that is fair. But there really comes a time when we must put our partisan considerations aside. I say this is one of those times in Canada. Literally the country is being torn apart at the seams. We fail to realize it is not the people of Canada who participate in that tug-of-war at all. The regional and national politicians, with what could sometimes be called more ego at interest than people, make true or false statements which are self-serving. They present their own cases and enhance their own chances at re-election. If anything, that kind of rhetoric by politicians today, at a crucial time in our history, causes me to wonder about the quality of people who are elected and sit as top dogs in some posts in this country. It causes me to wonder if they have the ability to recognize that this is a time of crisis in Canada.

As a young member of Parliament and one who is perhaps naive, thank God, I should like to leave a short message on behalf of the average Joe who sent me here. I address this message without being partisan, not only to my own party but to the other side of the House, particularly the corner of the House. It is time to stop playing games, it really is.

Having said those few words—and I am sure they will mean a lot back home—I take my seat.

Some hon. Members: Hear, hear!

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate have passed Bill S-7, to provide for the prohibition of certain international air services, to which the concurrence of the House is desired.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I rise to participate in the Address in Reply to the Speech from the Throne with some mixed emotions. My emotions are mixed by many things. They are mixed by the fact that this is the third speech I have written because over three months have transpired since the Speech from the Throne was delivered. I sympathize with the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette); he had the same difficulty, only he had to do it in three different stages.

Also my emotions are mixed by the government's record since April 14, the heat of July, the imminent return to our constituencies and families and our frustrations at both the lack of action, on the one hand, and the method of action, on the other.

It is my understanding that the Speech from the Throne is designed to outline the government's legislative program and what it will do, its philosophical attitude toward its term of office. Since my remarks provide me with an opportunity to review what the government has done, I should like to review the Speech from the Throne. I say to the member who spoke before me that when he commenced to address the Speech from the Throne, he indicated that he would review the great number of things his government had done since April 14. I took pen to paper and thought that I would make sure I did not miss anything. I made note of the $35 GIS increase, the $80 million to Petro-Canada, and then I stopped writing because that is all there was.

An hon. Member: You missed something.

Mr. Lewis: If the hon. member sticks around, he will not. In the original Speech from the Throne, His Excellency referred to the opportunity he had to visit the provincial capitals and the Northwest Territories during his first year of office. I make reference to that because of the fact he mentioned he was looking forward to visiting smaller communities across our vast and beautiful land. We in the riding of Simcoe North were pleased in June when he visited us. He has become a man of the people. He moves among the people very readily. He and his wife bring a grace and a presence, a warmth and a tradition of that office to the country of Canada. I am pleased to say that he is very, very well received in the country.

The Speech from the Throne referred to serious challenges. Canadians everywhere would agree that we face serious challenges, though we are fortunate enough to have great opportunities. The people of my riding will face those challenges in the 1980s as they have in the past. There is a determined resilience and an energy in my constituency and all of Canada to conquer the challenges of the eighties. The Speech from the Throne called for action. We commend the government's desire for that action.

Reference was made in the Speech from the Throne to the accumulation of essential legislation left from previous Parliaments. We were asked to dispatch that backlog expeditiously. It was suggested that the government is relying on the good will of members and senators of all parties. I was a new member during the last Parliament and I watched members opposite to see what good will was all about. I saw them debate the budget of the hon. member for Saint-Maurice (Mr. Chrétien) of the fall of 1978 for 21 days during the fall of 1979 although it had not been changed. Where was that good will last fall? Where was that good will on the night of April 21 when the Minister of Finance (Mr. MacEachen) introduced a ways and means motion which was substantially what he condemned in December? Where was that good will when our party and the New Democratic Party were denied the traditional right to review that legislation? Sure, it was a ways and means motion, but Your Honour and I know it was legislation. Where was that good will?

I understand the Minister of Finance is suffering from a throat infection. It is no wonder, because that throat has had to swallow a lot of pride. If there was any good will left after April 21, it was blasted out of the water on July 11, which was a Friday, late in the week, when the Minister of Energy, Mines and Resources (Mr. Lalonde) introduced his infamous tax on Canadian people. I know Mr. Speaker's background is that of a lawyer. There is a saying in the courts, "If you come to court demanding equity and justice, you must come with clean hands". I say to the government, "If you come to us relying on our good will, you must demonstrate good will yourself".

Reference has been made today and in the throne speech to the referendum in Quebec. On May 20 the people of Quebec went to the polls. Sixty per cent voted to remain a part of Canada and 40 per cent showed their dissatisfaction. I think 100 per cent deserve a better deal from this government. One hundred per cent of all Canadians deserve a better deal from the federal government.

• (1620)

I wonder where the Liberal party has been for the last 17 years. Why was this dissatisfaction on the part of Quebeckers allowed to reach the point where they challenged the federal government, which is controlled in all its aspects by an overwhelming Quebec Liberal caucus? That feeling of dissatisfaction pervades all provinces. Unrest is evident everywhere because there is a lack of understanding. We do not like the

method of negotiation, we do not like the province-bashing and we do not like the people who were sent to negotiate. Whatever the results of the referendum, we want to solve the problems. The government wants to anticipate them; we want to solve them with understanding. There are no winners and there are no losers when the constitution is debated. Canada and Canadians must be the winners.

It is my specific responsibility as a member of Her Majesty's Loyal Opposition to monitor, criticize and review the efforts of the minister of housing. In pious tones in the Speech from the Throne—one of the things that was missed in the list—it was stated that we are going to assist those unable to bear the burden of renegotiating their home mortgages in the present abnormal situation so that the spectre of foreclosure will be avoided. We know of no specific programs. We know of no specific help. And as the government said, the interest rates are coming down because the country faces a recession which this government is leading us into. We know that this government has accepted quit claims just as subway conductors accept transfers, as people abandon their homes leaving CMHC to resell them at prices that are lower than those of their neighbours who stay.

The Speech from the Throne said that we are going to encourage higher standards of home insulation. I commend the minister because that study has been made. I do not want hon. members to think that I am just picking the things that were not done. The study has been made, the study was necessary, and on this side of the House we look forward to receiving the results of that study.

The Speech from the Throne also talked about an improved Canadian home insulation program. Where is it? It is now July. We are coming to the month of August. It is insulation time but there is no program. There are no improvements.

I am pleased to see that the Minister of Employment and Immigration (Mr. Axworthy) is in the House. In the Speech from the Throne there was reference made to the increased effort to develop critical trade skills. I would implore the minister to concentrate on that. We are faced with a double tragedy in Canada. We have a rapidly aging population of skilled tradesmen and we have young people out of work. We have to take action at all levels to curb this problem.

I know that the role of the federal government does not get into education; that is the responsibility of the provinces. However, there is a part for the federal government to play in co-ordinating the on-the-job training and the tax concessions that can be worked on. In my riding there are some very good people in the minister's department who go out to seek those opportunities. What we have to do is to push that program right across this country. There are link community projects which link the high schools and community colleges. The federal government and manpower department should be pushing that on-the-job training. It is vital to us because of the rapidly advancing average age of our skilled tradesmen.

In the Speech from the Throne it is suggested that the government will enter into a new partnership with voluntary agencies and local organizations in a program of community service. This suggestion concerns me. People might ask why. In my opinion, the LIP grant mentality of the Liberal government over the past decade has eaten away at the morale of the volunteer segment of society.

Once upon a time Canadians performed a service to the community because they were concerned for humanity. There were worth-while community projects which Canadians accepted as part of their duty. Those programs are now being performed by civil servants, pseudo-civil servants and people working on grants. The government takes longer. It spends more and it destroys the will of Canadians to contribute to their communities. I urge this government to take a long, hard look at the volunteer sector of society. I suggest that we make it a partnership with a purpose and not a partnership by purchase.

Terry Fox is running across Canada to raise money for cancer research. He should become a symbol for Canadians to show what we can do in the volunteer sector of society. He is not working on a grant; he is working on a lot of determination, effort and concern. He is raising money by that dedication and concern. He will do it the way we used to do it before the federal government got into the business.

I wish to deal briefly with energy policy. I commend this government for recognizing that we need an energy policy in 1980. I will not talk about the 1970s or the 1960s when the government did not think we needed one. It has been suggested that a made-in-Canada price will solve everything. We think that the petroleum price auditing agency will act as a watchdog. There are a lot of questions to be asked. We are going to hold this government to an energy policy. Our party fought the last election on the basis that we were committed to one price for Canadians. We felt we should pay our way. We did not want to lay our deficits at the feet of our children and that meant an excise tax of 18 cents per gallon to pay for the courage of our convictions.

It has been suggested in the Speech from the Throne: "My ministers do not intend to impose an 18-cent increase in the excise tax on transportation fuels and the made-in-Canada price will result in a lower price to consumers than the one proposed in the budget of the previous administration." Those words are as infamous as the words "We will never impose wage and price controls."

The tax of 2.4 cents per gallon on heating oil will result in a higher tax for consumers than that proposed in the budget by our party. The tax of 2.4 cents per gallon is to permit the world price to be paid for tar sands energy. Not 85 per cent of world price, but world price. That is what we said we would never move toward.

I say that the Liberal party has cast adrift the Liberal candidate in my riding in the last election. He has had some problems. In 1974 in Scarborough West, Alan Martin said "We will never institute wage and price controls". In 1979 he went back to the same people. In 1980 he tried my riding and he said "The Liberals will not impose an 18-cent excise tax on transportation fuels". He did not say that it would be less, he did not say it would be more. He forgot all about home heating

oil. He said that the Liberals would ignore world price, and that was an ironclad guarantee. I said that Mr. Martin had been set aside and cast adrift by the Liberals, but really he has not. He has been awarded a contract through the ministry of energy. For 15 days' work he is paid $7,300. My pay, as a member of Parliament, for one year is $30,600.

An hon. Member: Tell the truth.

Mr. Lewis: Let us talk about his expenses now. His expenses for 15 days are $10,300. My expenses for a year are $13,500. I am pleased to have that in the record.

This government promised to reduce the federal deficit in a planned and orderly manner. We want to know when that will start. What was denounced in December was clutched to the bosom of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) in April as a drowning man reaches for a life raft. The deficit is larger. The planning is absent. We agree with the premise: Canadians want effective government, not necessarily less government. We feel they want it while they are still alive.

● (1630)

I want to deal briefly with our economic potential because I have touched on many other matters. On April 14 the government said that it would reduce the deficit. One week later the deficit went up from $11.5 billion to $14.1 billion.

There is another ray of hope in the Speech from the Throne; this government reaffirmed its commitment to increase Canada's over-all expenditures on research and development to 1.5 per cent of the value of the gross national product. Where was that commitment in 1973 when the rate was 1.01 per cent, in 1974 when it went down to .98 per cent, in 1975 when it went down to .97 per cent, in 1976 when it went down to .93 per cent, in 1977 when it went down to .92 per cent and in 1978 when they broke the barrier of .9 per cent and it went down to .8 per cent? We do not know to what depths it will plunge in 1979. The government must stop paying lip service to research and development and begin to do something about it.

In closing, I want to take issue with two direct references which are of a regional nature found in the Speech from the Throne. They disturb me greatly. First, the government suggested in the Speech from the Throne that members who represent the people of Saskatchewan, Alberta and British Columbia have a responsibility to represent their constituents to the nation. It is then suggested that they have an extra responsibility in the present circumstances to represent the nation to their constituents.

In my opinion that is a direct insult to every member in this House from those provinces. As a member from Ontario, I take exception to those remarks in the Speech from the Throne. The root causes of western alienation, as I understand it, are in that kind of thinking which destroys good will, determines enemies and divides our country. We sat here in the Parliament of Canada listening to Liberal cabinet ministers and backbenchers finally representing the nation to their constituents because of the Quebec referendum.

This remark in the Speech from the Throne is a cheap shot at the hon. members from Saskatchewan, Alberta and British Columbia from both parties and I resent it. Those of us who make an effort, not by twinning, to know the members from those provinces know that they are men and women of good will and that they are conscious of the balance between representing their constituencies and representing their country. They do not need to be reminded in this insulting manner. I think that everybody should make an effort, not just from day to day but every day.

It has also been suggested that there are some problems in central Canada. In central Canada it is said that there are some who fear that the economic strength of this region is somehow slipping away, and this has led to envy and bitterness. If that feeling exists, it only exists among members of the Liberal party. As a Progressive Conservative from Ontario, I can tell this House that we do not fear for our economic strength. Sure, there are momentary concerns, but they are always surpassed by an inner strength and resilience which can be found in our province and which some of the members opposite will always envy.

We were a founding partner in confederation and we intend to be a continuing partner in confederation. We reject the envy and bitterness as the problems of lesser men and women. We have faith in our party, in the people of Ontario and Canada which rises above the fears expressed by the Liberal party. Do not worry about the people of Ontario; we are participating partners and dedicated to a strong, united Canada and always will be.

In closing, I would say, as was mentioned by the hon. member who preceded me, that it is time for all of us to think of our country first and our province second. Canada is one country. Let us close ranks and prove it.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, since the throne speech debate was interrupted on May 12 last, a major event occurred in the Canadian political life, when a majority of Quebeckers voted against separatism advocated by the PQ party and against its vague project of sovereignty-association, expressing quite clearly their desire to remain in Canada, a Canada where each province will feel more at ease and will benefit from a fairer economic distribution.

In my opinion, Mr. Speaker, it can truly be said that the referendum results have relieved the Canadian people, more especially in Quebec where the tensions among the various classes of society or within families had greatly increased during the referendum campaign. The recent public opinion poll made by the Quebec Employers' Council, of which I have a copy here and which appeared in the July 10 issue of *La Presse*, shows that the defeat of the separatist option of the Quebec government had a very positive effect in business

circles, judging by the satisfaction expressed by Quebec business leaders in that poll at the economic, social and political climate in the province.

Mr. Speaker, 93 per cent of the business leaders polled found the social climate good or acceptable in Quebec since the referendum, while 82 per cent feel the same about the economic climate and 78 per cent are optimistic as to the political climate. That is a significant improvement over a similar poll taken six months before, that is in January 1980, and over all such previous polls taken before 1976 as well. Now, the Quebec premier, Mr. Lévesque, stated following this poll that it would be absurd, that it would be "the height of absurdity to relate the result of the referendum to the improvement in the psychological climate in the Quebec business community.

However, as Yvan Guay, a leader-writer in *La Presse*, wrote in the July 16 issue, the president of Devencore Realties, one of the largest real estate firms in Montreal, stated recently in an interview with a *Gazette* reporter that the No-victory in the referendum had given new impetus to construction work in Montreal. Also, the deputy-manager of investment services of A. E. Lepage Company stated that he had made more business deals in the four weeks immediately following the referendum than he had in the five previous months. And a great many other brokers with him, Mr. Speaker. I will not quote Mr. Gray's, in view of the harsh judgment on Mr. Lévesque's biased analysis, but I agree with him when he states in the same article that social peace and political stability are two major factors of a healthy economic climate.

On the basis of these premises, while most Canadians and Quebeckers are anxious to see the current constitutional negotiations come to fast and concrete results, I should like to deal for a while with the present government's concern for the future of our economic development and, more specifically, for putting together a train of economic policies likely to create jobs, accelerate growth, ease regional imbalances and favour Canadian control over our economy, as mentioned in the Speech from the Throne. I have been nonplussed by the negative critics voiced by several hon. members from the official opposition this week during the debate on the Progressive Conservative motion, who apparently failed to recognize that over the past four months, the government had shown its firm determination and ability to deal with the problems and avail itself of every possibility resulting from the current economic context, and who dared even deny the fact that we had already implemented some elements of a policy of economic development and industrial strategy.

● (1640)

Mr. Speaker, the planning and drafting of a comprehensive economic and industrial development strategy cannot be done without putting together all the elements of the problem if that is to be done responsibly. And it cannot be done without taking into account the impact such a strategy may have on the orientation of the economy in coming years. So it is understandable that while they have defined all the basic elements of that strategy, as I mentioned earlier, the government should momentarily defer its announcement but you will readily admit that they have in the past four months given priority to that industrial development, job creation, economic growth and regional distribution.

A central factor in the government's initiative was the decision that led to the decision concerning the F-18A planes which is going to promote economic activity and bring about an industrial development of over $3 billion for all of Canada, spread out over various regions, and that will be particularly beneficial to Quebec. When the contract was signed the economic fallouts for Quebec were estimated at $1.573 billion, and as a result of the interest shown by Canadian and Quebec firms, the economic fallouts for both Quebec and the rest of Canada will probably, as we read in several press reports recently, be much greater.

That program, Mr. Speaker, could create up to 24,000 direct and indirect jobs across Canada. The purchase of the new fighter for the Canadian Forces is also a key element in the development of high technology industries like the electronics and aviation industries which will result in promotion of our high technology and allow it to face more effectively foreign competition in the 1980s while at the same time resulting in economic fallouts worth over $3 billion.

There is also, Mr. Speaker, this government's commitment to guarantee private sector loans to the Chrysler Corporation of Canada starting in 1982 for a total of $200 million. At the same time, in return, Chrysler promised to invest $1 billion in Canada during the next five years, in addition to its commitments with regard to job creation, future production and the purchase of parts in Canada.

Everyone knows, of course, that the North American automobile industry is currently going through hard times. The newspapers are full of articles on the subject. And the Minister of Industry, Trade and Commerce (Mr. Gray) is personally involved in various connections with the industry; his recent visit to Washington, as well as his statements, prove that he is determined to ensure Canada a continued profitable participation in the automobile sector. I would much rather have heard the hon. member for Hamilton-Mountain (Mr. Deans), every time he intervened, encourage the minister in his efforts and actions, rather than try to see the mote in his brother's eye, inasmuch as our minister has proved his will to save jobs and his concern for Canadian workers. The same thing happened last week or the week before when I heard the hon. member for New Westminster-Coquitlam (Miss Jewett) put questions about to the inquiry undertaken by the RCMP into Space Research, as well as the subsidies or loans granted Valleyfield Chemical Products, a firm located in my riding.

Well, I would have preferred more positive questions than those asked by a member who simply wanted to know who the guilty party would be in this matter. We forget that, in subsidizing Space Research and in creating the Valleyfield Chemical Products Company, the federal government took over a business which employed 250 people, and that there are now about 650 employees on the company's payroll. For my part, I believe job conservation is more important and as I said, I would have preferred to hear hon. members urge the government to tidy up what might have been some loose ends in this organization or in these businesses or even with respect to its past, but to deal mainly with preserving these jobs.

Mr. Speaker, with respect to international trade, the Department of Industry, Trade and Commerce has already had a dynamic influence on foreign markets by creating the position of Minister of State for Commerce and, since his return, the possibilities are limitless. The dynamic measures taken by this minister and the creation of an agency to deal with foreign trade will be of great help to exporters and enable the Canadian industry to sustain foreign competition more easily on international markets and on the Canadian market. Obviously, everyone in the House is aware of the views of the Minister of Industry, Trade and Commerce (Mr. Gray) on economic nationalism since he is the author of the famous report published some 10 years ago which called for more stringent measures to lessen the foreign stronghold on the Canadian economy, and led to the creation of the Foreign Investment Review Agency, FIRA. The government is severely criticized and some people ask for tighter legislation on foreign investment control, and yet they express doubt about the government's willingness concerning the amendments it intends to make to the Act.

During the last election campaign and in the Speech from the Throne, the government made known its intention to extend and reinforce FIRA's role, and the minister mentioned in his speech in the House on July 14 that he is contemplating submitting a series of measures to this effect which would reinforce the Canadian participation in the economy, improve the role of foreign companies in our economy. As a result of those prospective changes, Mr. Speaker, FIRA will have to publish before taking any decision the list of all major proposed take-overs which are under review, a procedure that the legislation does not authorize at present. The agency will also be authorized to undertake a periodic performance review of some Canadian branches of foreign corporations in key sectors such as research, development, high technology exports and so on. This is important.

I hope that the same companies will not always be the subject of such performance reviews but that they will be done in an orderly manner and will also deal with the small Canadian companies which can be branches of large international corporations. Those amendments will provide for some financial assistance to Canadians who would like to compete against foreigners and purchase Canadian companies, or buy back the equity held by foreigners in Canadian corporations, or still purchase branches of foreign corporations which would become available.

● (1650)

We also heard last month the Minister of Employment and Immigration (Mr. Axworthy), who was here earlier, announce certain new initiatives in the field of employment, and especially of training, which shows the concern of the government for an essential aspect of the approach we will have to take for the eighties in the area of human resources and manpower adaptation. In addition, the recent establishment of a special parliamentary committee, a task force on employment opportunities in the eighties, will enable the government to obtain the opinions of the greatest possible number of people concerned about future aspects of employment, and especially the needs in specialized fields.

Mr. Speaker, since energy is closely related to the industrial strategy, unlike the Progressive Conservatives who wanted to get rid of Petro-Canada, the government sees in this organization a tool for economic development, to develop our energy resources, and the very basis of our economic development if we also set a Canadian price for our oil. This week I heard certain western members complain about paying the same price as anyone else for consumer goods from the east and about paying the international price for certain products that westerners must buy, and claiming the right for the people of Alberta and Saskatchewan, the producer provinces, to receive the international price for their oil.

For my part, Mr. Speaker, I do not quite agree with all this. My colleague who spoke before me talked about Newfoundland and about the possibility for this province to understand the Canadian entity, the concept of sharing in Canada. As for me, I submit and everyone in this country must realize it, that the international price of oil is an inflated price which does not necessarily reflect production costs. I am prepared to accept the responsibilities of a policy that will ensure that all provinces will benefit from their natural resources, oil or whatever, in an equitable way. But it is through dialogue, through mutual understanding that we will be able to keep moving forward in Canada, while sharing at the same time.

Mr. Speaker, rather than submitting our economy through all the ups and downs created by international producers, we will be in a position with Petro-Canada, with a made-in-Canada price, to maintain our competitive edge on world markets, since our energy resources put us among the top industrialized nations. The new Canadian strategy for industrial development must clearly take into account the future potential of the western world economy, but also the current Canadian industrial structure and certain directions and alternatives that are now open to us on the economic level.

There is increasing reference to gradual liberalization of trade between most GATT members, which means for Canadian businessmen a significant opening of new markets in nearly one hundred nations across the world. During a meeting I attended this week, there was mention of textiles and someone suggested: In the United States things are going because they have a large market. Liberalization of trade will give us access to such a market if trade barriers are abolished. But if they are, there will be more pressure, especially in the weak industries.

Mr. Speaker, I think that even if we must accept stiffer competition on our domestic market, the government should assume its responsibility and protect its own economy. So, it is more than ever necessary to have a well structured economy to face this increasing competition from outside and this is why this government wants to play an active role in the economic situation of 1980.

If we had not purchased, as the Liberal government did, De Havilland and Canadair, I wonder what would have happened to the Canadian aeronautical industry and our country would have deprived itself of a high technology industry which allows most industrialized countries to compete on international markets and create highly specialized jobs. So we will continue to support actively the efforts of those two companies in particular, as well as those of other Canadian manufacturers and exporters, by giving them, through the Export Development Agency, government support like that given by Japan and many other countries to their exporting companies.

Mr. Speaker, the Liberal government is committed to support advanced technology industries on which our economy will depend even more in the coming years, but it is also necessary to maintain the hundreds of thousands of existing jobs in the automobile industry to which I referred earlier or other more vulnerable sectors such as textiles and footwear. I know that cabinet was supposed to make a decision today concerning the extension of quotas for footwear. Also, this week, the Textile Board has presented to the minister its report that will guide us in the evaluation of the future policies of the Department of Industry, Trade and Commerce. In those last two fields, while we should allow competition from developing countries, because we must share not only in Canada, access to the Canadian market should be regulated to maintain not only our jobs but also our productive capacity to produce Canadian goods specially designed for Canadian consumers by our Canadian technology which is growing more competitive in those sectors.

Some industrial sectors in foreign countries receive greater government aid because of increasingly stiffer competition and of the very high costs of automation of production, which leaves manufacturers with no other alternative than to amalgamate and seek government help. For an industrialized country like ours, it is of vital importance to maintain within our territory, a production and research capacity in a variety of sectors whose products are part of the daily lives of Canadians.

This brings me to the topic of research and development, priority areas for the future in which this government wants to invest as much as other industrialized countries; it is seeking to increase investments in research and development from 0.9 per cent to 1.5 per cent of the gross national product. To achieve this goal, one of the means the government foresees is tighter control over the operations of multinational companies on our territory and, while still encouraging foreign investments, ensuring that these operations are consistent with present and future interests of Canadians. Mr. Speaker, coming back to the matter of Canada's political future, even though the results of the Quebec referendum helped restore a certain social, political and economic confidence, the problems of Canadian unity are apparent even in this House, despite the good will displayed by members, these problems which are also of an economic nature, are far from being solved. Faced with increasingly stiffer international competition, Canada must solve its domestic problems as soon as possible and form a common front to face its competitors. The provinces, the regions, do indeed have their own particular aspirations and claims, either in the field of energy, natural resources or whether they be of a cultural or linguistic nature, but that, Mr. Speaker, is the essence of our diversity. We must, however, transcend these differences as soon as possible to put the economic machinery back into high gear by taking into account our exceptional natural resources, our highly skilled and diversified manpower and develop an economic dynamism which would help us overcome our handicap because of the small size of our market compared to the vastness of our territory. This economic dynamism, Mr. Speaker, this confidence which is so essential for the progress of the Canadian economy is precisely the key to our future.

• (1700)

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I too am very pleased to be able to add a few final remarks to the debate on the Address in Reply to the Speech from the Throne this afternoon. In so doing I would like to talk a little about energy, about the pipeline, and I do so, of course, mainly from selfish motives, the main motive being that 450 miles of the Alaska highway gas pipeline will be eventually located in the constituency of Prince George-Peace River, that great part of our country which I have the distinct pleasure to represent in this House.

Much has been said about pipelines, both oil and gas, in recent weeks and months since we began this session of Parliament. One cannot speak about oil or gas, or about the Alaska highway gas pipeline, or the polar route or any of these energy schemes, without first projecting them against a global background. Today I particularly want to say something about economic nationalism and about nationalism in terms of energy politics.

When one looks at the global energy situation, in the period since the Second World War, if you look back over the last 30 or 40 years, you will find that the statistics indicate that our demand on energy over the last 30 years doubled roughly every ten years. Indeed, comparing this statistic with the increase in the western world, at least, of the gross national product, one finds it is identical. In other words, gross national product in the western world increased or doubled every ten years. One can then make the correlation, or project ahead, by saying that the gross national product, or the improvement of the quality of life of western countries, will be directly related to the availability of energy in the future.

At the present time the total producibility of oil—and I am talking here exclusively about oil—is in the neighbourhood of 60 to 65 million barrels a day. We know, on the basis of projections which have been put together not only for the producing but also by the consuming countries and which are in the main quite accurate, that unless we can expect an increase in the total producibility of world oil of 1 per cent per year for the next five to eight years, and beyond that, we will have to begin to live with the situation where supplies of conventional sources of fossil fuels and energy sources will decline. Up to the year 2,000—in fact, after the year 1985—we must expect a decline beginning with 1 per cent per year and then accelerating at a much faster pace.

If we go back to the relationship with the gross national product, we find a very frightening picture, because we would have to accept the fact that the economies of the western world would no longer be able to grow. In fact the economies of the western world would inevitably decline if we continue to rely on the conventional methods of driving our industrial machine and sustaining our enviable lifestyle. It is a frightening picture as well, because many say that an economy of the type we have built for ourselves in the western world cannot survive unless there is an element of growth.

Many say that a business cannot survive unless there is an element of growth, an opportunity for people to progress within an organization. Indeed, many say that if our economies cannot survive at the present level and cannot grow, our political system is in jeopardy. And many say that this is a very important component of the oil politics which the east bloc countries and the Soviet Union are relying upon to destroy capitalism and the system of western democracy. That is basically the global picture.

If one now turns to the situation in North America, it is no secret that we in Canada and in the United States are using the lion's share of the world's energy resources. We are wasting more than we are using, of course, and we are criticized not only by our partners in the western world but, in the United Nations and other forums, by other nations which look upon us as irresponsible people who have little or no concern for the legitimate aspirations of people in other parts of the world.

If you look at North America you are confronted, first of all, with the demographic situation—260 million people on the North American continent; we in Canada number 23 or 24 million. When we talk to our rich neighbours to the south, we are immediately confronted with their attempts to establish some kind of North American energy approach. We in Canada have, of course, always rejected that, because when it boils down to where the potential for future energy reserves lie, they lie in Canada. Since we number only 23 million people we should, of course, be very careful about how we share this energy, particularly with our friends to the south, but with other countries as well.

This is okay up to a point. But I want to portray a hypothetical situation, and this message is directed to my friends in the New Democratic Party, those great economic nationalists and energy nationalists. I want to portray a situation in the year 2000. Energy is extremely short and the world population has grown from four and a half billion to six billion people. Most of the new population is based in the Third World. They, of course, will have achieved a much better lifestyle and in so doing they will have placed incredible demands on the world's deliverability of oil and other energy resources, and the world is running out of fossil fuels. But we in Canada have been very prudent because in 1980, 1982, 1983 and 1985 we were very careful not to export any of our fossil reserves—gas, oil or anything else—to the United States or to any other country. So here we are.

• (1710)

The rest of the world machine has ground to a halt. People are freezing to death and sitting in the dark, but here we are in Canada with the lights shining brightly, our machines running at full tilt, and we are continuing this lifestyle which we have enjoyed and which our forefathers have built for us. Well, sir, I do not think that even my friends in the New Democratic Party are so naive as to think that that is actually possible and that we can actually totally isolate ourselves from the global situation of energy politics, and from the global situation of demographic politics, and sit here in Canada on top of all our wealth and enjoy it just for the benefit of ourselves and those who may come after us. The reality, as all of us know, is of course much different.

Instead of a continental energy policy we should be talking about continental energy co-operation. It is indeed against that background—I give credit to the former government, and I would even like to give a little credit to the present government—that some of the decisions that are relating to the most prominent project at the present time, the Alaska highway gas pipeline, have to be made.

We have to consider first of all that this particular project was planned to deliver gas which is exploited or harvested in Alaska to the lower 48 states. The Americans came to us in 1970 when the same question was raised in connection with delivering oil from Alaska to the United States. They came to us then as well, and told us that the most expedient, best, safest and cheapest way would be to run a pipeline through Alaska and through Canada, and to utilize as much as possible existing conduits and existing facilities to bring this important

resource down to their markets. At that time we procrastinated.

In fact much of the debate which has been going on here in recent days went on in 1970 and 1971 as well, when the Americans wanted to bring oil down. We in the west, and particularly I in northeastern British Columbia, never had any doubt that that was the proper route to take. I was selfishly motivated, of course, because I realize probably more than anyone what the economic benefits of that kind of system and that kind of industrial endeavour can be. However, at that time we frustrated the process so long that the Americans finally said that they could not wait forever. They were in dire need of this resource. They had to secure their own energy needs and to find some other alternative, and they did.

Alaska delivers to the United States roughly two million barrels of oil a day. The Americans built the Alyeska pipeline through Alaska, and facilities at the Pacific Ocean to load tankers to deliver that crucial resource down the west coast to the United States. As soon as the system was built, we went running down to the United States to say that we were worried about those tankers going down the west coast and that there could be accidents. We were worried that they could break up. They are vulnerable in a strategic sense. What if we ever got into a war with the Japanese? I hope it would not be with the Japanese, obviously, but the Russians might come and blow those tankers out of the water. What did we do?

The Americans frankly told us that they had asked us to build a pipeline through Canada but that we did not want that. Then we did not want tankers either. Here we are now in 1980, the Americans are now ready to deliver another 800,000 barrels of oil daily, and again the prospect of a pipeline is being discussed. Let us remember that 1,200,000 barrels are already proceeding by tanker, and again we are procrastinating. The Americans have really given up on us, and they are now building additional facilities to handle this additional oil. They are shipping that down by tanker as well, thus rendering our west coast very vulnerable in terms of the ecology and the environment.

That is some of the background to the pipeline politics in the west. That is another component of pipeline politics which is being considered as we make a decision on the Alaska highway gas pipeline.

The pipeline was always intended to serve the purpose of North American energy co-operation. There are some very significant industrial and economic benefits to Canada, but the pipeline is also planned to accommodate the delivery of our own gas from the Arctic to the south. All my friends have heard of the Dempster Link and the concept of building a pipeline from Inuvik to absorb the gas which is in the Beaufort Sea, and bringing it to the Alcan or the Alaska highway gas pipeline and joining it at Whitehorse, Yukon. The American line is so designed that it increases in size at Whitehorse and all the way down to the United States border to accommodate the delivery of our Canadian gas. Imagine, the Americans are prepared to pay the additional cost of increasing the size of the conduit to accommodate the delivery of our own gas. So it is not just an American pipeline or a pipeline which is just in the American interest. There is a very clear Canadian interest connected with this pipeline as well.

The question of the pre-build is not a new concept with has been thrown in in the last three or four weeks. It was always talked about from the very beginning. It was always felt that it may well facilitate the financing of the whole scheme. We talk about $22 billion, $25 billion or $26 billion. Can anyone here really imagine the amount of money that is? It is money which is to be spent to a great extent in Canada. It is money which is to be spent to a great extent in Ontario, the industrial heartland of our country, where the pipe will be manufactured and where workers in the foundries will be making valves and other important components. In fact the Americans are really angry with us because they are totally out in the dark. Canadian firms have under-bid the Americans for the pipe every time, and the Americans are very angry. Imagine, one of the main components of the pipeline is of a size which the Americans cannot manufacture at all. It all has to be manufactured in Canada, and the Americans are saying that we are not fair.

American firms claim that we have too much of an advantage because of the difference in the dollar, but still the Americans have said "Let's go ahead". It is a competitive thing. After all, it is free enterprise. We want to get this project under way in the cheapest possible way, and as it happens Canada will get the lion's share of that $25 million that the project will cost.

It was always said right from the beginning, as I set out to say, that the pre-building of the line is almost essential to the financing of the whole. There never was any doubt that we have surplus gas in Canada which in the short term should be exported to the United States. Again I want to take hon. members back to the global picture and to this hypothetical situation I have explained. We have surplus gas. We have instructed our Energy Board to use a formula to ensure that over a certain period of time our energy needs are secure. The energy board is required, first of all, to look at the catalogue of proven reserves, identified reserves, and reserves ready for market, and to compare those with the demand which could possibly be placed on these reserves over a period of 25 years. In doing so the board is required to take a look not only at the present demand but also at the obvious necessity to convert major industries away from oil to natural gas and the obvious desire to extend pipeline systems to the maritimes and Quebec, to get away from reliance on foreign oil to generate electricity and to convert homes to natural gas.

● (1720)

Having taken all that into account, the National Energy Board is then required to protect all these needs over a period of 25 years. Anything that is surplus to that should be made available for export. Last year the Conservative government decided that at that time we had 3.75 trillion cubic feet of natural gas available for export. I should also say that the National Energy Board is required to adjust these figures from year to year. That takes us to the year 2005, and one does not

have to be much of a futurist to realize that the energy picture in the year 2005 will be quite different from what it is today.

When one looks around the world—and again we are babes in the woods—one finds that billions of dollars are being spent every year now on the research and development of more exotic forms of energy. The sun projects on the earth more energy in ten minutes than we have in our total fossil reserves. It is mind boggling to contemplate what that source of energy could do and will have to do in the future to sustain the lifestyle we now enjoy, and indeed enhance it, not only for ourselves but for Third World countries. One does not have to be much of an optimist to be optimistic about the future of energy. So I say that 25 years is a realistic and indeed a very optimistic time period in which to secure our energy future. In fact there is not a country in the world today, other than probably Mexico, Venezuela and some Middle Eastern countries, which has the luxury of being able to plan ahead for 25 years in an optimistic way.

Now I should like to speak about the concerns of the local area for which I have special responsibility. The situation in British Columbia is somewhat complicated and I intend, of course, to ask the government, once the decision with regard to the pre-build line has been made, how discussions with British Columbia are proceeding and their requirement for a statement of acquiescence with respect to the pipeline. At this point there is no agreement with the province of British Columbia on the final terms and conditions which will be attached not only to the pre-build leg of the pipeline but, what is more important, to the major portion of the pipeline of which 450 miles traverse northern British Columbia. Unfortunately, British Columbia has not been very aggressive or very active in participating or contributing to the study of the terms and conditions of the pipeline.

I suppose it is for the first time that most of my colleagues here would hear of a report that was published about three weeks ago called "Forgotten Land, Forgotten People." It is the final study of socioeconomic conditions relating to this pipeline, a study which followed the Berger report on the Mackenzie valley, the Lysyk study with regard to the Alaska gas pipeline which was held in the Yukon. This particular study, which was conducted by Winston Mair, who was the inquiry commissioner, deals entirely with northeastern British Columbia. The title of the study "Forgotten Land, Forgotten People" is probably a little exaggerated, but it says something about the northern parts of our provinces.

We here in Ottawa have a more direct relationship with the territories because we still operate, to a certain extent, under a colonial system and we think of ourselves as colonial masters of the territories, something which I do not like and which has been challenged at least by my party on every occasion, and something about which we had very definite policies and plans. Nevertheless we know a little more about what goes on in the Northwest Territories and the Yukon than we do about what goes on in the provinces, because that is really their domain.

I have just published a report out of my own office which tells a little about the rip-off of northerners. I am not now straying away from the energy theme of my contribution today; I am just talking a little about the north because it is in the north that our energy future lies. In fact when we talk about the economic benefits which will be derived from the Alaska highway gas pipeline, the lion's share of these benefits will accrue to Canadians in all other parts of the country except the part where the pipeline will be located. In fact the economic benefits there will not be benefits at all; there will be horrendous problems associated with them. We are not strangers to massive projects such as that, particularly in northern British Columbia.

We have seen the construction of the Alaska highway itself and the construction of one of the largest hydroelectric projects, the Bennett dam, and we have experienced these kinds of industrial schemes where thousands of workmen are dumped into small communities which are already short of essential services. They impose their demands and needs on the area for short periods of time, and then they all go away while the local people are left holding the bag. Of course, we look with favour and excitement to the construction of the pipeline.

The report "Forgotten Land, Forgotten People" talks about the aspirations of the northerners in British Columbia in connection with this pipeline. It talks about the native people. In this case, while the natives have raised some questions that are as old as time, and some concerns about further assimilation and integration into the wage economy into which they are not ready to be assimilated or integrated, generally the natives in northeastern British Columbia also are excited and optimistic about the potential benefits which this project could offer them.

We have raised some legitimate concerns because while there are some real economic and industrial benefits which will accrue to all Canadians, any negative side effects of this project will be suffered only by the people who populate the land where the pipeline is located. Indeed, Mair accepted in his report many of the recommendations that I made in my submission to his hearings, namely, that we must develop a technique by which the amenities, the social services and the infrastructure in terms of transportation and communication and other things which might be required to accommodate not only the work force which will be building the pipeline but those who will be operating it in the future, must be paid for either by the proponents of the pipeline, or through some other scheme by the rest of the Canadian taxpayers who will, after all, receive the lion's share of the economic benefits.

I have proposed the imposition in northeastern British Columbia of a benefiting area tax which would tax the pipeline right away. The money which would accrue from such a taxation scheme would be used entirely to upgrade the transportation and communication infrastructure to help the small communities absorb the new work force which will be locating there permanently by providing them with sufficient means to build local services such as sewers, water, and even some recreational facilities, hospitals, and so on. The idea was certainly considered favourably by the government and recommended by the inquiry commissioner who was exposed for

some period of time to the realities of northeastern British Columbia. It has been a somewhat uphill battle to convince British Columbia to join in the scheme and to allow for a change so that the people in the north who sit on top of the energy will share on a fair and equitable basis in some of the benefits that will accrue.

● (1730)

Briefly I referred to the report published out of my office. If I may digress a little, I spent two years researching in order to point out, not only to my friends in the House of Commons but to all Canadians, some of the very real disadvantages which 5 per cent of Canadians living in 80 per cent of our land mass suffer as a result of the discriminatory tax regime in the country. I would encourage all my friends to read the report; it is available out of my office. In the report I pointed out that those 5 per cent of Canadians pay $470 million in unfair taxes every year. The report marks the beginning of a crusade I intend to take up over the next year in the north and in the south as well. It will encourage Canadians not only to remove the disparities, but to establish an equitable and fair system in the north to entice and encourage other Canadians, particularly young ones, to move away from the artificial, plastic and concrete environment of our cities, which are sustained by the resources of the north, to join in the excitement and the available opportunities of the north.

I notice I have reached the end of my time. I wanted to get that plug in because I am a little excited about this document. It may well be the most important thing I will do in my political career, particularly if my ideas are accepted by the government. Of course they are already accepted in the fact that federal public servants posted in isolation in the north are receiving very, very significant northern allowances and benefits which are not available to other northerners. I wanted to get this plug on the record today before the House recessed because I hope a lot will be heard about the report in the summer months.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I believe there is unanimous consent for the House to revert to Routine Proceedings in order that I may table the First Report of the Standing Committee on Miscellaneous Estimates. I should like to report on a bill which was approved today.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Ottawa-Vanier (Mr. Gauthier) seeks the unanimous consent of the House to revert to routine proceedings in order to present a report. Is there unanimous consent?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

MISCELLANEOUS ESTIMATES

First report of Standing Committee on Miscellaneous Estimates—Mr. Gauthier.

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

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SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

[*Translation*]

Mr. Jean Lapierre (Shefford): This being the second Speech from the Throne to which I am exposed since becoming a member of the House, Mr. Speaker, I must confess that my reaction this time is quite different from the one I had when I heard the first one under a Progressive Conservative administration.

When I rose to deal for the first time with the address, I remember I was highly pessimistic, while this time around I am quite optimistic. A few minutes ago, as I was going over the notes for my speech of a few weeks ago, I came across my election pamphlet and realized that nearly all the promises which my party and I had made to my constituents of Shefford are part of the first Speech from the Throne, and that the local projects to which we had committed ourselves are being carried out just now.

While dealing with the Speech from the Throne, I think I can inform my constituents of the steps the government has taken and its attitude toward its commitments.

● (1740)

I think it is very important for us all to keep in mind what responsibility is all about and particularly for voters to realize that at a certain point in time politicians can make commitments and then keep them. I think that is probably going to be the trade mark of this Parliament and this government.

Like all my colleagues I would like to talk about the constitution because I think it is the vital element that is keeping us in active politics, particularly these years, and in commenting the result of the referendum I think my colleagues and I have all worked very hard to get a No-majority in Quebec, and I am thinking in particular of my colleague, the Hon. Jean Chrétien, the Minister of Justice, who certainly managed to give all members from Quebec and several citizens of Quebec the desire to win. I think we should pay tribute to

him, and particularly for me it was an honour to work by his side. Now that the results are known, I think we should above all not take anything for granted but our leader, the right hon. Prime Minister (Mr. Trudeau), in accordance with the commitments he also made at the time of the referendum, had promised to get intensive negotiations going.

I think the government agreed to meet its commitments toward Quebeckers. We are now witnessing a series of federal-provincial conferences and we realize that the will to change is not only in the speeches of politicians but in reality, and I think it is hoped that the provinces which are all sitting around the table these days, will want to co-operate with the federal government and allow it to deliver the goods to all Canadians, and Quebeckers in particular.

I think there is only one obstacle to that quest for renewal, and it is perhaps the presence at that table of PQ ministers who are acting every day like offended virgins and want to have us believe after the results of the referendum that they have become federalists and want to improve the federal system. I must admit that I am looking forward impatiently to an election in our province so that the Quebec negotiators sitting at that table will have that will of renewal and that openness of mind that will allow considerable improvement to this country, and particularly our constitution, to meet in an increasingly better way the aspirations of Canadians.

I think many had an opportunity to hear the speech of Miss Bégin, the Minister of National Health and Welfare, when she called for the participation of the people in the process of renewal. I think that participation by the people is essential because if Canadians do not have a means of expressing themselves in this constitutional renewal, if they do not have a channel to go to to voice their claims, I am afraid they are going to witness, as my colleague from Newfoundland suggested earlier, a cock-fight between federal and provincial politicians, and if the people are not in on it, it could be difficult for them to see through all those fights that are taking place around the tables and all those political wars.

So, as members of the Quebec Liberal caucus, we are striving to create a committee which could convey to the government and federal negotiators the considered opinion of the people—and when I say the "people", I mean it in the noblest sense of the word—the people who also want to have their say. I think that all those constitutional exercises should really aim to achieve a better administration of the affairs of State, but above all, to better serve the citizens.

I appeal to all of those who are involved in those negotiations to really keep that objective in mind, and perhaps to set aside, to a certain extent their self-interest or even, perhaps, in some cases, their thirst for power or a for a bigger share of the cake and to manage the country with greater concern for its citizens. If the federal government is better suited to deal with some areas of jurisdiction, by all means, let it keep it or even get it but, on the other hand, if provincial governments are better equipped to deal with some other spheres of jurisdiction, then, well and good, let us hand them over to them; but above all, let us make sure that it will be for the benefit of the citizens and not for the glory of a some politicians. To pursue along the lines of our commitments, I think that especially in my constituency industrial development is one of the key aspects of the economy and, the fact that the Montreal area has been designated for the purposes of the DREE grants program is a great boon to our economy. All the new businesses in our area—there have been hundreds in the last few years—were set up largely through DREE grants and the fact that it has been decided to extend the program in the eastern townships region will allow us to create new jobs.

A little while ago I heard an hon. member say that the textile and rubber industries were very important in his riding and, these industries are considered important in mine as well but it is widely accepted that these industries must also be buttressed by other related industries or other high technology industries likely to provide workers with viable and profitable jobs in the area. I have in mind industries such as General Electric and that is why I was happy with the Canadian government's decision regarding the F-18, because the company involved has promised to build a plant in the eastern townships thereby creating some 650 jobs; it is very important for us that we should develop this new technology and the F-18 program will certainly provide for it and create new job opportunities for the young people coming out of the universities, the CEGEPs, etc.

I was particularly interested in the proposed grants for a $237 million contract to build military trucks; and I hope a decision will be made on this matter in the forthcoming months.

Mr. Speaker, the Bombardier company is located in my riding. It is keenly interested in this contract to build military trucks and would be ready to create new jobs in my area and, I think that the cabinet's gesture in asking Bombardier to make a bid for this important project is already most encouraging for us. You know, when the company's founder, Joseph-Armand Bombardier, started his snowmobile business, he thought it would be the vehicle of the future. Unfortunately, it has become a rather expensive recreational vehicle and the sales volume has not been increasing and in diversifying its production, Bombardier could include military trucks. Now, the advantage for us would not only be the Canadian contract for 2,800 trucks but the subsequent opportunities for exporting these trucks throughout the world and creating a viable industry in our area. That is why I am happy that we have asked Bombardier to make a bid and I hope the government will consider it favourably.

Another economic development project which is very important to us is the development of Mont Orford as an international tourist area. We know that DREE is negotiating with the Quebec government to include Mont Orford in the tourist

development area. You can be certain that I am trying very hard to give to that area of my riding a year round tourist industry which could also create permanent employment. Speaking of job creation, I was very pleased to publicize the announcement made by the Minister of Employment and Immigration (Mr. Axworthy) about the $137 million program to create new jobs, particularly for development and community services projects.

Earlier, I heard a Progressive Conservative member criticize those programs that will allow us to create jobs and give work to people who want to work. If he does not want that money in his riding, we are going to take it. Maybe there is no unemployment in his riding? Very well, we will take that money! That type of program is very important to us and I protested against the disappearance of Canada Works Program that the Progressive Conservatives were going to abolish because it is important for us as well as for various organizations and our community. Senior citizens, the handicapped, all kinds of volunteer organizations have taken advantage of it and we want also to train our unemployed because, in an area like ours, young people have problems to find work and that kind of project will allow them not only to continue their search for a permanent and profitable job but also to gain a diversified experience while serving the public. I certainly prefer to see our young people and our unemployed work in those community projects rather than drawing unemployment insurance to stay at home. Idleness is the root of all evil and it might be true! The summer projects that have been announced made me very happy. Almost $150,000 have been spent in Shefford and if this is a waste for the Progressive Conservatives, for us it is indeed a good investment. During this summer, some 40 or 50 young people are trying to help their community thanks to those federal programs and this makes us very happy.

The maintaining of the employment tax credit is also very important to us. A number of firms have been and will be benefiting from the extension proposed by the Minister of Employment and Immigration. And speaking of employment and immigration, I wish to mention something which is of particular interest to me, the in-depth review of the whole unemployment insurance program announced by the minister. As a member dealing with some 40 to 50 unemployment cases each week, I want to take an active part in that kind of review of the unemployment insurance rules because often, quite honestly, the complexity of the regulations and the lack of understanding displayed by some officials will discourage some unemployed, and will even have them feel they are almost treated like tramps. Often it is the result of an accident they suffered in their life. I know of persons who have been working for 30 and 40 years, who had to go on unemployment for all sorts of reasons, and I feel that the regulations should be, perhaps not eased up but simplified. It is therefore with much pleasure that I welcome the review and also, if I may, I would like to suggest to the government that people between 55 to 65 do not have enough programs tailored for them, although they have specific problems. We have established employment programs for the young, for women, for natives, for almost everybody but that group of workers. In my view, when someone loses his or her job at 55, it is very difficult for them to go and apply here and there. He or she may apply, but getting a job is another thing. This is a problem which will have to be tackled because in my area, especially in the textile industry, there have been numerous lay-offs. Right now many workers are at a loss. They can go on unemployment for 52 weeks but that only leads them to age 56. Then they face some problems. I therefore urge the government to look after that specific group of people because they have specific problems.

● (1750)

Over 65 years, there are senior citizens. I am therefore happy to see that we have honoured our commitment made in the Speech from the Throne by adding $35 guaranteed income to the supplement.

Many people in my constituency who will receive the supplement for July will benefit greatly from this initiative.

However, there is a sombre note in all this. The Quebec minister of social affairs has taken away $20 of these $35 for all senior citizens in nursing homes, and this same minister has had the gall, and it really takes a lot of gall to do this, to announce to the senior citizens that he was giving them an increase. At the same time, instead of giving them an increase, he is taking away $20 from them. I think that this should be pointed out to all senior citizens in nursing homes. The federal government decided that senior citizens needed $35 more, and the Quebec government appropriates these funds, for what purpose, I do not know, perhaps to pay for the referendum. It has appropriated part of the money that the federal government was giving to senior citizens.

As concerns housing for senior citizens, I believe that the minister responsible for the Canada Mortgage and Housing Corporation is taking vigorous action to make up for the shortage of housing for older people. I hope we will all make more efforts to enable non-profit organizations to start building such housing or renovating senior citizens and low income housing.

With the rents at their present level, many senior citizens have a hard time finding proper housing. I believe we have an obligation in this matter, and many non-profit organizations are willing to contribute to building new housing, but unfortunately the funds are insufficient and I would certainly like to see, in the weeks and in the months ahead, additional funds earmarked for this program which, by the way, is much better than a direct government construction program because I would rather see volunteers getting involved in housing rather than some government officials and going through tender after tender because that always ends up costing twice as much as expected, whereas non-profit organizations can certainly play

a major role in building. As far as renovation is concerned, I am very happy to see that the government granted the major city in my riding $1,367,000 last week to upgrade the city core. This is a cost-sharing project where the federal government contributes 50 per cent, the province 25 per cent and the city 25 per cent. That is true co-operation between governments and that will help make downtown Granby a good place to be. I think everybody will benefit. Hopefully, this federal contribution will give Granby, which is called the princess city of the eastern townships, a greater role to play.

The throne speech spoke a great deal about energy. Rereading the election pamphlets I realized that most of our commitments are fulfilled. We promised Canadians that there would be no unfair 18 cent tax. To my knowledge, there is none. We promised Canadians to do our utmost to give them a made-in-Canada price for oil, and we are still doing our utmost to achieve this and we also want to set up an oil prices monitoring agency. I think that will come soon and I think it will help reassure Canadians who think that the large multinationals make excessive profits and charge too much. I think that is commendable, and the sooner the better. But those are all commitments we made during the campaign and we are living up to them and making them realities. There have been references to the increased role of Petro-Canada. I think that with the re-election of our party Petro-Canada can have no fear for its future because we believe that agency can play a most important role.

I heard a member opposite talk about the metric system earlier. Several opposition members are complaining that the conversion to the metric system is not working in their area. Yet our area has been designated for metrication. I do not know why my Progressive Conservative colleagues received so many complaints, because the people in our area where the very same process is going on, while they did not know what to think at first, did not go so far as to sign petitions and make all kinds of representations as people in other areas did. They understand that it is the system of the future and that we had—

Mr. Lapierre: That system is international, as my hon. colleague says. I think that people in our area were very quiet, although we normally have a tendency to protest and we found nothing awful about that. I invite my colleague who has problems in his constituency to come and see how well it worked in our area.

One of my favourite subjects, which is mentioned is agriculture. I see that my colleague from Saint-Hyacinthe is smiling. He is the Parliamentary Secretary to the Minister of Agriculture (Mr. Whelan). I want to commend him for his efforts, because since our return to Parliament, I have had the opportunity to work with my good friend, the hon. member for Saint-Hyacinthe, and I know how concerned our caucus is about the problems faced by the farmers. In my area in particular, there was a strong demand for the creation of a Canadian Agricultural Export Corporation. We are confident that it will not be long before that corporation is established, and that it will enable our producers to export and to sell their products. We hope that they will use it as an instrument of development.

There is also the pork marketing problem. I think it affects a good many of my constituents who earn their living directly or indirectly from the pork industry. Several have welcomed with great satisfaction the price stabilization program for pork growers. Unfortunately, the Quebec government has not done so well for the piglet producers of that province.

Mr. Gauthier: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Ottawa-Vanier on a point of order.

Mr. Gauthier: Mr. Speaker, I apologize to my colleague for interrupting him, but I think the House would give unanimous consent if we were to revert to the presentation of reports from standing or special committees.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Pursuant to what I understood earlier this day, there is an agreement between the representatives of the parties in the House that the hon. member for Ottawa-Vanier (Mr. Gauthier) would rise to seek the unanimous consent of the House to table a committee report. I understand that the tabling will be followed by a motion for report stage and third reading by the hon. member who sponsored the bill. Is there unanimous consent?

Some hon. Members: Agreed.

* * *

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

First report of Standing Committee on Miscellaneous Private Bills and Standing Orders—Mr. Gauthier.

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

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am wondering if I could have the consent of the House to proceed with Bill S-8 in all its remaining stages?

Some hon. Members: Agreed.

PRIVATE BILLS

[*English*]

PYRAMID COMMUNICATIONS LIMITED

Mr. Stan Darling (Parry Sound-Muskoka) moved that Bill S-8, to revive Pyramid Communications Limited, be concurred in.

Motion agreed to.

Mr. Darling moved that the bill be read the third time and do pass.

The Acting Speaker (Mr. Blaker): When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

The Acting Speaker (Mr. Blaker): By leave, now.

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

● (1800)

ROUTINE PROCEEDINGS

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

The Acting Speaker (Mr. Blaker): Order, please. I can recognize the hon. member for Shefford (Mr. Lapierre) but I see the clock reads six. If I may, I would suggest that I call it six o'clock with the understanding that I will recognize the hon. member at eight o'clock this evening.

It being six o'clock I do now—

Mr. Collenette: On a point of order, Mr. Speaker, as a courtesy to hon. members I would point out that there is a likelihood at eight o'clock of seeking unanimous consent to revert to statements by ministers as was indicated earlier today. We do not know yet, but I would advise the House that this is a possibility.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I take it that if a decision is made and consent is sought, it might be sought at later than eight o'clock this evening if the meeting of the government goes on later. I understand that it is to be whenever the government is ready, Mr. Speaker.

Mr. Collenette: It should be eight o'clock.

Mr. Knowles: That is correct, Mr. Speaker. If the government has something to say we shall listen.

The Acting Speaker (Mr. Blaker): May we proceed with calling it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening.

At 6.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Jean Lapierre (Shefford): Madam Speaker, before we adjourned for dinner, I was addressing the House on agricultural matters and particularly on commitments the government made in the Speech from the Throne. I was saying that the Canadian Agricultural Export Corporation which is to be established during this Parliament is in my opinion one of the best actions to be taken for the benefit of the Quebec agricultural community in particular. There are the hog producers, the poultry farmers and many other agricultural groups in Quebec who are anxious to expand their businesses and are making major investments. I think the government is very sensitive to their requests and surely we will all benefit from it.

There was also this question of the Canadian postal service which was discussed at length during the last election and I am pleased to note that yesterday the Postmaster General (Mr. Ouellet) introduced that famous bill for the setting up of a Crown Corporation. I hope that the change to a Crown Corporation will enable us to restructure our postal service, because up to now there were all kinds of irresponsible decisions made in some post offices in my constituency and I hope that the problems in Rock Forest and in other places in my constituency will be solved by that revamping of the department.

Madam Speaker, I think that this government is certainly honouring its commitments towards Canadians and I hope that during the constitutional talks in the forthcoming weeks with all the work performed during the summer, Canadians will be in a position to expect a new constitution in the shortest possible time. I know that the Minister of Energy, Mines and Resources (Mr. Lalonde) will deliver an important speech this evening and, while being responsible for the promises made during the election campaign and in the throne speech, I am

convinced that his wise decision and that of the cabinet will be another step toward a price made in Canada, self-sufficiency, and the creation of jobs in the energy area and those areas of the future.

To conclude, Madam Speaker, I will say that I expect much of this Parliament, that I am quite proud to be a member on this side of the House and that I will do my utmost to fulfil our commitments.

Mr. Pinard: Madam Speaker, further to the request addressed to the right hon. Prime Minister (Mr. Trudeau) during the question period, the Minister of Energy, Mines and Resources (Mr. Lalonde) is willing to make a statement, provided the House agrees to revert to Routine Proceedings, statements by ministers, even if it means sitting beyond normal hours, if need be, to allow us, before adjourning, to vote on the motion for debate on the address in reply on the eighth and last appointed day.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, there have been those discussions and there is that agreement from this party to facilitate the business of the House.

Mr. Knowles: This party also agrees, Madam Speaker.

[*Translation*]

Madam Speaker: Does the House agree to reverting to statements by ministers?

Some hon. Members: Agreed.

* * *

[*English*]

NORTHERN PIPELINE

APPROVAL OF ALASKA GAS PIPELINE PRE-BUILD SECTION

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I want to thank the House for giving me the opportunity to speak at this time on a subject that is of interest to this House and the country. I wish tonight to make a statement concerning the pre-build project of the Alaska pipeline. I wish to state from the start that the government has taken a decision to approve in principle the construction of the Alaska pipeline.

Some hon. Members: Hear, hear!

[*Translation*]

In 1977, Canada and the United States signed a bilateral agreement for the construction of the gas pipeline. In 1978, legislation to implement the agreement was passed by Parliament. Since then, two important developments have altered circumstances. First, the estimated completion date for the pipeline was set back from January, 1983, to the end of 1985.

[*English*]

There has been, therefore, a delay in the original time for the scheduled completion of the line from 1983 to 1985.

The second major change relates to the proposed pre-building of the southern segments of the system. Its initial purpose of exporting Alberta gas to western and mid-western U.S. markets has taken on considerably greater importance. Pre-building has become of prime importance in two ways: first, as a means of facilitating the completion of the entire project; and, second, in terms of the substantial and widespread economic benefits it promises to provide Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lalonde: Madam Speaker, I am sorry if some members of the New Democratic Party are feeling sick. I am sure there must be a doctor in the lobby to take care of them.

An hon. Member: Why don't they just walk out like they did the last time?

Mr. Lalonde: In its original conception, as indicated, the southern portion of the line was to be built only moderately in advance of the remainder of the system in the north. The effect of the delays I mentioned has been the pre-building can now take place well in advance of construction of the rest of the system.

• (2010)

There has, of course, been another development. In the intervening years the volume of Canadian gas surplus to our needs and available for export has grown from some 800 billion cubic feet to around 4.5 trillion cubic feet. A number of steps have been taken by the government to take this changing situation into account.

First, the National Energy Board made the following determination: if pre-building were to be undertaken on schedule, with commencement of the construction of the western leg this summer, then it would be necessary to modify condition 12 of the Northern Pipeline Act. Because of the delays which I mentioned it would have been quite impossible for Foothills (Yukon) in these very different circumstances to meet the original requirement of establishing that financing had been obtained for the whole line in Canada.

Second, on April 2, the National Energy Board issued an order amending condition 12, subject to the approval of the Governor in Council. The amendment required Foothills to satisfy both the Board and the minister responsible for the Northern Pipeline Agency on two major points. First, they had to be satisfied by Foothills that financing had been obtained for pre-building of the southern segments of the system in Canada. In the second place, they had to be satisfied that financing could be obtained for the remainder of the system before construction of the pre-build would be authorized.

Third, also on April 2, Senator Olson requested the NEB to hold public hearings in order to obtain evidence as to whether Foothills could meet the terms of condition 12 as revised with respect to financing. At the same time, however, he advised the Board that the government intended to defer consideration of its order on this condition until it could also consider two other closely related matters. One was the pending recommendation of the NEB with respect to applications from Pan-Alberta. The latter had requested a licence to export an additional 500 bcf of gas remaining in the unallocated surplus previously identified by the board as a means of establishing the financial viability of the pre-build.

The other matter requiring consideration was the position of the United States government—its view as to the financeability of the pipeline system within its territory and the outlook for its timely completion.

Let me deal with the last issue first. The government has before it information on a number of steps which have been taken in the United States to encourage and facilitate the commencement and expeditious completion of the project by late 1985. These steps include recent decisions by the Federal Energy Regulatory Commission certifying the pre-building of the western and eastern legs of the system in the lower 48 states for the initial purpose of transporting surplus Alberta gas pending the through-put of Alaskan reserves. They include also the June 19 agreement between the major gas producers in Alaska—Exxon, BP, Sohio and Arco—and Northwest Alaskan, the pipeline sponsor in that area, on the sharing of some $500 million in expenditures to complete final design and engineering work required to construct the pipeline and conditioning plant in Alaska, and to arrive at final cost estimates. On June 19 the producers and sponsor also signed a statement of intention in which they undertook to work together to facilitate the financing of the pipeline and conditioning plant in Alaska with a view to achieving completion of the system by 1985.

As hon. members are all aware, the strong and continuing commitment of the U.S. Congress was forcefully expressed through a joint resolution unanimously approved by both Houses within the past few days. This resolution emphasized the conviction of Congress that the Alaska pipeline remains—and I quote—"an essential part of securing this nation's energy future and, as such, enjoys the highest level of congressional support for its expeditious construction and completion by the end of 1985."

Some hon. Members: Hear, hear!

Mr. Lalonde: I might say that this resolution was passed by Congress at the urging of the Canadian government represented by Senator Olson in those discussions.

Some hon. Members: Hear, hear!

Mr. Lalonde: Finally, the Canadian government took account of the assurances which President Carter has indicated the U.S. government was prepared to make with respect to the financeability and timely completion of the system within its territory, given the developments to which I have just referred. Based on all these factors, and on the formal assurances which President Carter has today provided in a letter to the Prime Minister (Mr. Trudeau), the Canadian government is prepared to accept the U.S. government's judgment that the project within its territory can be financed and will be completed expeditiously.

Some hon. Members: Hear, hear!

Mr. Lalonde: With the permission of the House I should like to table copies of the joint resolution of Congress and the statement of intention by the producers and pipeline sponsor in Alaska. I am also pleased to table a copy of the president's letter of today.

Some hon. Members: Hear, hear!

Mr. Lalonde: I apologize for the fact that the president's letter has not yet been translated into French—it has only just been received—but the other documents are in the two official languages.

Based on all these factors and on the formal assurance that President Carter has provided today, again, the government has accepted the United States' commitment assuring timely completion of the whole project. I repeat—timely completion of the whole project.

Some hon. Members: Hear, hear!

Mr. Lalonde: The government is also prepared to authorize additional exports recommended by the National Energy Board through the pre-build system in order to establish the financial viability of that stage of the project. It also approves the amendment to condition 12 made by the Board.

Madam Speaker, I referred earlier to the hearings undertaken by the National Energy Board on the ability of Foothills to meet the revised condition 12. In a statement following these hearings, the NEB raised four matters of concern with respect to the financeability of the project in Canada. All these matters related to issues involving decisions made in the United States. Foothills itself initially raised all these issues as being potential problem areas. However, in response to an inquiry on this matter by the NEB, Foothills indicated that because of more recent developments it was confident that these issues had been, or would be, satisfactorily resolved.

However, it still remains necessary for the Board, and Senator Olson, to make a judgment as to whether Foothills is, in fact, capable of meeting the requirements of condition 12, as amended, with respect to the financing of the project in Canada. I expect that both the Board and Senator Olson will be in a position to reach a decision on that question within the next few days. Assuming this last issue of policy is satisfactorily resolved, the way will finally be cleared for a start on construction of the Alaska highway gas pipeline. The southern segment will commence within the next month.

Some hon. Members: Hear, hear!

• (2020)

Mr. Lalonde: It has been suggested in some quarters that the pre-build would amount to the construction only of an export line and represent a very different project than that provided for in the Northern Pipeline Act. Such an allegation is completely groundless. What is proposed is the construction, in two stages, of a fully integrated system capable of carrying Alaska gas to the lower 48 states and providing access to Canada's own gas in the Mackenzie Delta.

I spoke earlier of assurances by the United States government. We are satisfied that the United States Congress and the United States administration are fully committed to building their portion of the line by 1985. We base this not only on the assurances already received but on a recognition of the absolutely vital national interest of the United States in gaining access to its gas at Prudhoe Bay, which represents more than 10 per cent of all its established reserves and its largest single new source of energy for the foreseeable future.

First, as I stated earlier, construction of the southern segments for the initial transportation of Alberta gas would spur completion of the entire project. It would provide an early cash flow to pipeline sponsors which would be a big help to them in financing the remainder of the pipeline.

Second, by stretching out the construction timetable it would also ease the strain on skilled manpower and the supply of goods and services, and ensure a very high level of Canadian input into the project. In other words, the pre-build fits in with the current economic cycle of the country.

Finally, pre-building of the western and eastern legs and the initial export of surplus Canadian gas will provide substantial economic benefit to this country. According to estimates, this will result in direct capital expenditures in Canada of a total of $1.6 billion, the benefits of which would be felt right across the country in terms of jobs and output.

Some hon. Members: Hear, hear!

Mr. Lalonde: Of this amount some $655 million would be spent on the pre-build facilities themselves and another $935 million on installation of the production wells, conditioning plants, and the gathering and other facilities required to deliver the gas to the Foothills pipeline. The pre-build project and associated developments would create employment directly and indirectly over the period between 1980 and 1984 of 150,000 man-years.

Some hon. Members: Hear, hear!

Mr. Lalonde: That applies not only to Alberta but also to British Columbia and to Ipsco in Saskatchewan, *n'en déplaise* my hon. friends in the NDP. It applies to Sault Ste. Marie, it applies to Hamilton, it applies to Contrecœur and it applies all across the country.

Some hon. Members: Hear, hear!

Mr. Lalonde: The National Energy Board itself has concluded that pre-building alone and the flow of Canadian gas to the United States can generate national economic benefits of some $4.5 billion.

Some hon. Members: Hear, hear!

Mr. Lalonde: A substantial portion of those benefits will come through the potential sale over the life of approved export contracts of around $17 billion worth of gas and natural gas liquid byproducts, which in turn will provide a positive boost to Canada's balance of payments position of some $2 billion a year.

The export of natural gas through the pre-build will provide a substantial benefit to hundreds of small and medium-sized Canadian-owned producers, many of whom at present have substantial shut-in reserves because of the absence of markets either in Canada or in the United States. The opening up of markets for these supplies which are surplus to Canadian needs will provide the cash flows such producers require in order to maintain exploration at the high level required to develop additional reserves with which to meet our own requirements over the long haul. For some of these Canadian companies at least, a failure to secure early access to U.S. markets could leave them with little choice but to sell out their interests to large multinational oil companies which can afford to hold gas in the ground for a long time. Such an alternative would clearly be contrary to our policy of greatly increasing domestic ownership and control of the petroleum industry in this country.

The pre-build, though, is just a part of the story. The total project, both northern and southern portions, according to best estimates, will in and of itself result in a 1 per cent gain in Canada's gross national product, with benefits including $2 billion in pipe orders to Canadian mills, 350,000 direct and indirect man-years of employment for Canadians, and the development of Canadian expertise and export capability.

Some hon. Members: Hear, hear!

Mr. Lalonde: Given the nature of the U.S. assurances and given the very substantial benefits which pre-building will provide—for example, facilitating the completion of the entire project and immediate returns to Canada in terms of jobs, output, producer revenues and balance of payment inflows—I do not believe that there can be any doubt that our national interest lies in proceeding with this important undertaking at the earliest possible date.

Some hon. Members: Hear, hear!

Mr. Lalonde: The government is convinced that this decision is good not only for Alberta and not only for the oil industry but that it is also good for all Canadians and all Canadian workers in each and every one of the provinces of this country.

Message from the Senate

Some hon. Members: Hear, hear!

● (2030)

[*Translation*]

The government has been considering this matter at length these last few weeks and took a whole series of measures to make sure that the whole pipeline would be built in the coming years and particularly by 1985. Today the American administration provided us with the final necessary assurances to convince us of the United States commitment to complete the proposed Alaska gas pipeline by 1985. From the immediate construction of the southern section of the Alaska pipeline will flow enormous benefits for the whole Canadian economy, not only for Alberta oil producers and the Alberta government, but also for manufacturers and particularly workers in each and every province of Canada, especially those involved in the steel and pipeline equipment industries. The construction now of the southern section is just part of the process toward the construction of the entire system of the Alaska pipeline that for the most part runs through Canada. The pre-build section will enable us to spread over several years the work and revenues necessary to build this pipeline. This project, on top of the one we have already announced regarding the extension of the gas pipeline to eastern Canada, particularly as far as Quebec City for the time being, will give a tremendous shot in the arm to the Canadian economy, in eastern as well as in western Canada, and that is the main reason that made the government come today to this decision which, I am sure, will benefit all Canadians.

* * *

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed, without amendment, the following bills: Bill C-3, an act to amend the Unemployment Insurance Act, 1971; Bill C-4, an act respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes; Bill C-26, an act to implement an agreement between Her Majesty in right of the Province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve; Bill C-31, an act to provide for the imposition of certain economic sanctions against the Islamic Republic of Iran; and Bill C-18, an act to promote public safety in the transportation of dangerous goods.

THE ROYAL ASSENT

[*Translation*]

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

July 17, 1980

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of July, at 9.00 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

[*English*]

Mr. Knowles: Madam Speaker, I rise on a point of order to request that the necessary arrangements be made so that the Gentleman Usher of the Black Rod will not knock at the door until the statements and the questions with respect to this matter have been concluded.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after the royal assent ceremony, I have no objection to continue with this statement of the minister and the questions which may follow, should you so decide. However, it would be unacceptable under present circumstances if the ceremony to which your referred did not take place at nine o'clock, in view of the fact that we already had royal assent earlier today and that we have asked the hon. Justice of the Supreme Court to be here this evening.

An hon. Member: He can wait!

Mr. Pinard: He is available at nine o'clock as a replacement for the Governor General. After the ceremony, Madam Speaker, we will go on with the interventions on the minister's statement. The House has agreed earlier to sit after ten o'clock to allow us to go to the bottom of this issue and then go on with the adoption of the motion on the Address in Reply to the Speech from the Throne, even after ten o'clock tonight. I suggest therefore that this is simply a matter of elementary courtesy. I would expect that from members of the New Democratic Party—

An hon. Member: Courtesy! He can wait!

Mr. Pinard: —who are usually so courteous, so that we would have royal assent at nine o'clock and continue the debate a little later.

Madam Speaker: I should have liked to accommodate the hon. member for Winnipeg North Centre (Mr. Knowles), but I can see that we have no choice in this instance, for the substitute of the Governor General would not be available after nine o'clock. However, I agree that we should return and sit late if necessary.

ROUTINE PROCEEDINGS

[*English*]

NORTHERN PIPELINE

APPROVAL OF ALASKA GAS PIPELINE PRE-BUILD SECTION

Hon. Erik Nielsen (Yukon): Madam Speaker, I have never in my time here seen nor heard a triple flip-flop such as the one I have observed tonight.

Some hon. Members: Hear, hear!

Mr. Nielsen: We heard a minister just now make a statement, a minister who was a member of the government in 1977 and 1978, and who was in office when the Northern Pipeline Act was passed, which act required the construction of a pipeline. During the debate a discussion arose with respect to the pre-build and the necessity of that pre-build to finance the whole. The same minister in opposition made statements of which I am going to remind him in a moment or two because he has fallen far short, in his statement today, of coming up with those ironclad commitments of which he spoke last December.

Now he has flopped again—a flip-flop-flip. He is now on the side of the virtuous in reverting to the position of his government in 1977-78. It is a magnificent performance, Madam Speaker, a magnificent act. He really should, this ironclad man, be attending the Olympics as an acrobat.

Mr. Baker (Nepean-Carleton): A trampoline artist.

Mr. Nielsen: Yes, a trampoline artist. Seriously, I have to reserve at least two positions here. One is a very serious one with respect to the amendments to section 12 of the conditions set out in schedule III of the act. There is no way that we on this side can exercise a value judgment as to whether or not the changes which are being made to section 12 are intra vires and are legal until we see those changes. They have not been made available to us, although I do thank the minister for instructing his office to make available to me at 15 minutes to eight o'clock this evening a copy of the statement he intended to make. Unfortunately, there were no copies of the president's letter attached to that statement, nor were there any copies of the changes to section 12 attached to the copy of the statement which I received, so we are unable to comment on these two very vital aspects of the minister's statement.

The reservation that I want to make—and I have not yet received copies, although I have requested them from the Table—is the so-called commitment of which the minister spoke in his statement, made by way of the letter which the Prime Minister (Mr. Trudeau) received from President Carter today. We must see that letter, and we must see the changes in condition 12.

Mr. Lawrence: We should have a copy.

Mr. Nielsen: As my friend, the hon. member for Northumberland-Durham (Mr. Lawrence) says, we should have had a copy. That has been the weakness of the NDP position all along. They have been trying to judge this matter on the basis of an hypothesis. Always there was an "if"—if the government changes condition 12, will they not agree that it would be illegal to do so without debate? We do not know until we see the extent to which the government intends to change condition 12, and we do not know until we can make a value judgment on the legality of those changes. But their position is even worse than that. In 1977 and 1978 the hon. member for Nanaimo-Cowichan-The Islands was their spokesman on energy matters. Madam Speaker will recall that he is now one of the officers of Husky Oil, I believe it is.

• (2040)

Some hon. Members: Oh, oh!

Mr. Nielsen: They then took the position—and if there could be any act that exceeds the act of the minister in the art of the flip-flop-flip, it is that party over there.

Some hon. Members: Hear, hear!

Mr. Nielsen: They took the position in 1977 and 1978 that there will be no pipeline. Also their position is very clear that there will be no exports of gas. Now they are trying to have us believe that they are opposed to the pre-build but they are favourable to the pipeline. That is one flip-flop. "But if you can assure us that the guarantees are there that the whole line will be built—I am still not going to let you put any gas through it because that is not in accordance with our policy—go ahead", they say.

Some hon. Members: Hear, hear!

Mr. Nielsen: They say, "No pre-build, but if the guarantees are there, we will change our position of 1977-78 as long as you build the whole gas pipeline. But for God's sake, don't put any gas through that gas pipeline". What act can exceed that kind of position?

There have been no changes in substance between now and last December when the minister spoke on an announcement made by the then minister of energy, mines and resources which is almost on all fours with the announcement made tonight. The only difference is that instead of 4.5 trillion cubic feet that we are being authorized to export, the figure was 3.7.

When the minister made his announcement on December 6 last year, he made it quite clear that the exports were being authorized on the recommendation of NEB for transmission through the pre-build sections of this line only. At that time the now minister had some very startling things to say. But I point out that apart from the letter from President Carter, which I have not yet seen, there have been no substantive changes between the position of last December 6 and the position today, not one.

Mr. Lalonde: $500 million.

Mr. Nielsen: Yes, there is the change from 3.7 to 4.5; that is the only substantive change. In so far as commitments and the rest of the matters of which he spoke last December, there have been no changes. The 1985 delay was present last December, indeed it was present long before that. What he is trying to do in his own inimitable convoluted way is to try to justify his own swallowing of himself and his words of last December.

Mr. Baker (Nepean-Carleton): What a mouthful, that would be impossible.

Mr. Nielsen: As the hon. member for Nepean-Carleton (Mr. Baker) said, it would almost be physically impossible. I really do not see how he can get past his iron head.

Condition 12 indicates that they have to be satisfied that the financing requirements for the whole line have been met. Now obviously that has been altered. It would be interesting to see just how it has been altered. Last December the minister made six conditions. The minister makes a moue, I will read those conditions to him to refresh his memory. In response to the minister's announcement on that date, he said:

I think this statement will be one that Canada will live to regret—

Essentially it was the same statement as the one made tonight. He continued:

—as one of the greatest sellouts we have seen.

That was the minister's value judgment on December 6 of last year as reported at page 2100 of *Hansard* for that year. He said that we should assume six points to be necessary prerequisites prior to the approval of the export and of the pre-build. He certainly laid his party's reputation on the line when he was making that statement speaking on his party's behalf. As reported at page 2101 of *Hansard*, he said:

—we are faced with the situation where eastern Canada, the Atlantic provinces, need more natural gas and need a gas pipeline to take gas to the homes and to the industries there.

I ask the minister to respond to this when he is replying to questions. Is it still the Liberal party's position that extension of the Q & M Pipe Lines to the maritimes must come before the pre-build which he has just announced, because that was his position of last December? Referring to page 2101 of the same issue of *Hansard*, he imposed a second condition. He said:

—with regard to revenues arising out of gas exports to the United States. They should be used to ensure the initiation and completion of the Quebec and maritime gas pipelines—

That is what he said last December, a few short months ago. Let me put this question to him: Is it still the government's position that revenues from gas exports to the United States be used to construct the full Q & M Pipe Lines? Are these government or private sector revenues that will be used to construct this eastern Canadian pipeline? That was his position and the position of his party when he was spokesman last December. He set forth a third condition then. As reported on the same page of *Hansard*, he said:

—we have an announcement that we will sell 3.7 trillion cubic feet of gas to the United States. That certainly is a clear indication that this government has its priorities all wrong.

Later on the same page he said:

Therefore, if we have to have a bias, our bias as Canadians should be against any gas exports outside Canada . . . That should take place only on the basis of an overriding national interest—

The factors, the elements and the circumstances have not changed in the interim between last December and now. What has changed? I ask Madam Speaker what has changed since December 6 except that presently the now government wants to export more than 3.7 trillion cubic feet? Or, does the government agree with its socialist friends to my left, their position that we should build a pipeline and not put any gas through it at all? If there is to be any logic in what the minister said last December, that has to be the compelling result of that logic.

He laid down a fourth condition then which is very interesting. Referring to the same page of *Hansard*, he said:

—there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline which we might need in exchange for the gas we are now providing to the Americans.

● (2050)

That was a very clear statement of his party's policies on the question of swaps which he does not mention at all in his statement tonight. I do not know whether it is an ironclad flop or whether he has increased his dexterity to a flip-flop, flip-flop, because he has already done it three times here.

I know that my harkening back to the rather rash statements which the minister made last December are certainly not comfortable to him, but it seems to me that they should be exposed in the light of the need for Canadians to assess the integrity of the kind of party that now sits there and then sat here.

With respect to the fifth condition, Madam Speaker, that was imposed—and in this connection I refer to page 2101 of *Hansard* of December 6, 1979:

In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all—

—and the minister will remember the following words vividly. The sentence continues:

—an ironclad commitment regarding the building of the whole Alaska gas pipeline.

He went on to say that he was not satisfied with that firmness of statement, although the word "ironclad" cannot sound any firmer, but he went on to say:

Everything has to be signed, sealed and delivered—before we start exporting one cubic foot of gas out of this country to the United States.

An hon. Member: What about that, Marc?

Mr. Nielsen: That is what he said last December.

Mr. Nowlan: No wonder the gas has increased.

Mr. Nielsen: It is very obvious. Where is this commitment of which he speaks that has to be signed, sealed and delivered before one cubic foot of gas is exported out of the country?

I have not had an opportunity to read the letter from President Carter, but my friend, the hon. member for Nepean-Carleton (Mr. Baker), has read it, and he has informed me that there is no commitment, guarantee or anything approaching the words of the minister in his statement, tonight contained in that letter.

An hon. Member: Shame.

An hon. Member: Why don't you read it?

Miss MacDonald: Why don't you?

Mr. Nielsen: I usually rely on my friend from Nepean-Carleton.

An hon. Member: Read page 2.

Mr. Harquail: Madam Speaker, this is a very important occasion. I would like to intervene and plead with you, Madam Speaker, that the very representatives from that section of the House who moved an adjournment debate to have this subject dealt with, and who have been calling for a statement, interrupted the minister's speech almost entirely throughout his speech. Now when this member is speaking, and he is saying some important things about Atlantic Canada and mentioning other important aspects relating to the speech, I wonder if we could have an opportunity to hear him since we were unable to have order while the minister, due to the interruptions and the fractious attitude of the NDP—

Some hon. Members: Hear, hear!

An hon. Member: Children.

Mr. Harquail: I hope we can bring some order back to the House.

Some hon. Members: Hear, hear!

An hon. Member: The childish NDP.

Mr. Nielsen: In any event, Madam Speaker, so much for the president's letter which has been read by my friend. There is nothing approaching a commitment, the nature of which was contemplated by the minister, when he spoke last December.

Alaska Gas Pipeline

Regarding financial commitments, he went on at page 2102 of *Hansard* for December 6, 1979, to say this:

—we should have a commitment from the U.S. government in this respect, as well as from private industry.

I suggest to the minister that it would be stretching the truth beyond all recognition for him to even leave the inference that there is any financial commitment for the construction of the whole line. The conditions set forth in schedule 3, namely condition 12, make it abundantly clear that the minister—that is the Senator in the other place—must be satisfied that the financing is available for the construction of the whole line and not just part of it.

One thing which the minister did not touch upon, and he will recall that last December when the minister then made the announcement on December 6 of a seven-year time span over which the export would run, and he said—he, the minister now—at page 2102 of *Hansard* the following:

Our preference ... has been for five-year agreements on exports. We are surprised that the government has been considering seven-year agreements.

He might address himself to that matter when he is replying to questions. Those are the views, Madam Speaker, which the minister expressed last December when he was out of office. Now he has suddenly become responsible again in the swallowing of himself.

Mr. Baker (Nepean-Carleton): The ironclads have turned to mush.

Some hon. Members: Oh, oh!

Mr. Nielsen: The ironclads have turned to mush. I think in an announcement as important as this one, if the minister really believes what he is saying now—

An hon. Member: Who knows?

Mr. Nielsen: —in the extent and the nature of the commitments, which he seems to believe are commitments from the United States with respect to financing, that the whole line is going to be built and is going to be within a 1985 time-frame, then he should put his seat on the line if he has any doubts about it at all.

An hon. Member: That is right.

Mr. Lalonde: Would the hon. member run against me in Outremont?

Mr. Nielsen: I will certainly come and run against the minister in Outremont if he will try the same act with me in the Yukon.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: No conditions.

Mr. Nielsen: The last ten minutes or so of the minister's 30-odd minutes' statement dealt with economic benefits. They

have always been there. Those economic benefits were spelled out when the act was before Parliament and before committee, and there have been no changes in circumstances whatsoever. I do not know what has taken the government so long in their shilly-shallying, delaying and fumbling in coming up with this decision.

I have one more point to which I want to address myself. It has to do with the response of the Prime Minister today when he was being questioned by the hon. member for Perth (Mr. Jarvis), and I am referring to commitments that were given by Mr. Schlesinger. My friend from Perth asked him to table the current assurances and the Schlesigner commitment of some months ago in order that the House may see what differences, if any, are contained in the United States commitments. The Prime Minister must have been in receipt of that letter from President Carter when that question was answered. We did not have any tabling of that letter this afternoon in response.

More seriously, the Prime Minister in responding to the first part of the question said that, "on the Schlesinger commitment I think I made it clear at the time that the then secretary, Schlesinger, had told me verbally that we would not be wise to proceed with the pre-build if we did not have guarantees that the whole line would be built. So, I cannot table anything."

But last December 7 when the Prime Minister led the questioning for that day, he questioned the then prime minister, the right hon. Leader of the Opposition (Mr. Clark), and he said this at page 2123 of *Hansard*:

> Could I remind the hon. gentleman that our government obtained from the United States a commitment that if there were to be any pre-build of the Alaska gas pipeline, it could only be authorized if there were a commitment to build the entire line? Could I hear from the Prime Minister whether that commitment obtained from Mr. Schlesinger last March still stands?
>
> ● (2100)
>
> RIGHT HON. JOE CLARK (PRIME MINISTER): Mr. Speaker, that commitment stands.

The present Prime Minister said later on in his second question:

> This phrase obviously indicates that there is no firm commitment, that we are asking them for a firm commitment and that we have authorized the export before obtaining this commitment.

We want to compare that statement of the present Prime Minister with the lack of any commitments, I am informed by my friend, the hon. member for Nepean-Carleton, who has read the letter, or anything approaching a commitment in the letter from President Carter. The decision to go ahead is bound to result in immeasurable economic benefits to this country. We have always been of that view.

However, the government has fallen far short of obtaining that degree of commitment to the construction of the whole line which the minister certainly expressed, in no uncertain terms last December, and which when they were in office previous to the last administration, they expressed just as strongly. They have fallen far short of obtaining the kind of commitment which will ensure the completion of the whole line. I very much doubt whether the time-frame of 1985 will be met. Indeed, when I took part in the debate in 1978, I forecasted then delays which I anticipated would go to 1985 and beyond. From what I have heard tonight, those doubts have not only not been allayed, but my conviction has been firmed, that we are looking at a considerable piece beyond 1985 before we can see the construction of the whole line, indeed, if we see it at all.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise on behalf of our party to speak on this issue which I regard as the most important issue of this Parliament so far. The minister during his speech looked across the floor and yelled at us on this side of the House words to the effect, "Do you guys feel sick or something?" Well, I do feel sick tonight.

An hon. Member: You look it.

Mr. Waddell: It is unbelievable that it is the same minister who is sitting across the floor tonight when one year ago, while he was in opposition and was the Liberal energy critic, he said that the pre-build would be one of the greatest sell-outs in Canadian history. Tonight he has turned around and made a statement which is exactly the opposite. What makes me really sick is that the statement is sheer hypocrisy. Those are our feelings toward his statement tonight.

Mr. Crosbie: Tough luck.

Mr. Waddell: I would like to set out briefly and summarize the position of our party because, unlike my friends to the right, I think it is very, very clear. What we have tonight is not a decision to build a pipeline, but a decision to export more Canadian gas which we think should stay in Canada to meet Canada's future needs.

There is no firm guarantee, none at all, that the rest of the pipeline will ever be built. The only thing which is guaranteed is that the United States will get our gas. Clearly, the government has failed to stand up for our interests. It has failed to get the ironclad guarantees which the minister so properly demanded when he was in opposition. The minister has failed to get the guarantees which would ensure the financing for the whole line. He has failed to get any swap agreements so that when we sell out the Canadian gas we receive, later, gas to replace it at the same prices from the Americans. The minister has failed to get that guarantee.

When I saw the minister receive a standing ovation for his speech of sheer hypocrisy, I wondered how the members opposite will go back to their ridings and say to their constituents, "Well, you have to pay more for gas in the future, because we are selling it all out now." In 1978 Parliament authorized a transportation pipeline to help the Americans transport Alaska natural gas from Prudhoe Bay through Canada down to the lower 48. What benefits were we to receive? We were to receive some jobs, to receive some contracts and so on for helping the Americans. We also were to receive a link up to the Arctic gas through the Dempster lateral. That is why Parliament passed the Northern Pipeline Act.

However, it was an act to transport American gas to American markets. Now, the government, without parliamentary approval or debate—and we have sought a special debate to have the matter brought before the House to find out about the guarantees—the government comes forward tonight, by order in council behind closed doors and against the real intent of an act of Parliament, brings in this announcement. It is clear to me, if it is not clear to the hon. member for the Yukon (Mr. Nielsen), that the government has brought in an order in council which will authorize an export pipeline to export huge quantities of Alberta gas, Canadian gas to American markets. We on this side of the House say that this is a sell-out. Let us call it what it is. It is a sell-out of relatively cheap Canadian gas. Later Canadian consumers will have to pay higher prices, if we can get the gas. There is no guarantee that the whole pipeline will ever be build.

Some hon. members have raised in the House the fact that, according to the Prime Minister, even the Americans said that we would be damn fools to go ahead with the pre-build. Yet the minister receives a standing ovation for going ahead with the pre-build. That is what the Liberals think. I have never been more proud than tonight that I am not a Liberal.

Some hon. Members: Hear, hear!

Mr. Waddell: The minister, when he was the energy critic in opposition of course said, and the hon. member for Yukon gave us the words—they are familiar to this House—"Let us not sell out for a fast buck, let's have ironclad guarantees." Tonight the minister went against that statement totally. Not only has he flip-flopped, but he has given up the whole basis of his energy policy. As I recall, the minister's energy policy is to get Canada off oil. That part of his policy makes sense to me. Does it not make sense to use cheap Canadian natural gas to replace that expensive imported oil? That is a good policy and one with which I agree.

The problem is that when Ontario, Quebec and the other eastern provinces are ready to convert, they will ask, "Where is the gas?" It will all have been sold to the United States by this pre-build. I draw to the minister and hon. member's attention the Liberal party policy of 1980 which reads at section 124(a):

As far as practicable, a distribution network should ensure that all regions of Canada are linked to the provinces rich in energy resources.

It goes on to say in subparagraph (b):

Exports of energy or energy sources should be very carefully assessed to guarantee Canada's long-term interests.

There goes the policy right out the window. Where is the new Liberal party? Where is the nationalism and the concern for Canada's energy security? It is gone.

An hon. Member: It was never there.

Mr. Crosbie: They fooled you.

Mr. Waddell: We asked questions in the House with respect to whether there were any swap provisions in this agreement. Swap provisions are very simple and can easily be understood by Canadians. That is, if we intend to sell off all this gas now, let us make a deal with the United States that we receive some of that Alaska gas when it comes down. But there are no swap provisions. The minister said as recently as last week that he was still negotiating with the American secretary of the interior, but there are no swap provisions and there are no guarantees.

• (2110)

Look at the guarantees. First of all, we have a resolution of the Congress. The minister knows and members know that one Congress does not bind another. Hon. members know Congress does not commit one cent to construction and that it is the private companies that build the pipelines, not the American Congress, and they are not going to guarantee it.

The second thing is that there is a letter from the President: "Dear Marc, Go ahead. Signed, Jimmy." What is this letter worth? I say with respect to the President, what is this letter worth, Madam Speaker? It is not committing Congress or the administration to one penny. It is certainly not committing any President afterwards. Does the government call this "guarantees"?

The third guarantee is that the pipeline companies, the oil companies, have spent some money; they have spent 2 per cent. On projects? No, on studies in Alaska.

Those are the ironclad guarantees, Madam Speaker. Those are what the minister comes to the House with tonight. He says they are jobs. They are jobs for one-tenth of the project. The project is going to cost about $600 million and upwards in Canada, plus the spin-off benefits. The whole line in Canada would cost $8 billion and the total line would cost $22 billion. Why should Canadian workers settle for one-tenth of the loaf when they can have the whole loaf? That does not make any sense. No, Madam Speaker, on this side of the House we think that line will never be build.

There is another matter at issue here but before I deal with it I heard something from my friends to my right. What is the position of the Conservative party on this? They are in favour of the pre-build.

An hon. Member: What is it?

Mr. Crosbie: The same as it always was.

Mr. Waddell: This pre-build is going to hurt British Columbia, my province, substantially. It is going to end their gas markets in the United States. There are 16 Conservative members on this side of the House from British Columbia but not one of them has got to his feet to oppose this pre-build.

An hon. Member: You are not just from British Columbia. Be a Canadian.

Mr. Waddell: Unfortunately we do not have any members from the maritimes—yet—but I hear some of them yelling from across the floor. What happens when you extend the pipeline to the maritimes?

Mr. Rose: I rise on a point of order, Madam Speaker. A moment ago the hon. member for Restigouche (Mr. Harquail) chastised members of my party and others on this side of the House generally for rudeness. I wonder if the same kind of courtesy that was requested by the hon. member could be extended to our spokesman.

An hon. Member: But he didn't get it.

Mr. Waddell: I think what I was saying, Madam Speaker, makes good sense. If we export all the gas through this new pipeline, then where is the gas for the maritimes and where is the gas for Vancouver Island to take them off oil?

We heard today as a result of a question I put to the minister that the industry is thinking of looping the pipeline and putting more gas in it. Where do we stop these exports?

Evelyn Gigantes, who is the MPP for this area, and I proposed to the minister and to the Ontario government that Ontario buy some Alberta gas. If the producers have a cash flow problem, then we will help them and buy that gas. We will not export it but will bank it in Alberta. That makes sense to me as an energy policy. We could use that gas later in Ontario when the people need it. That is what an energy policy is like. I thought the minister was moving toward that.

I want to conclude, Madam Speaker, by dealing with one other matter, and that is the challenge to Parliament in this whole issue.

An hon. Member: Cabinet dictatorship.

Mr. Waddell: We have asked for a debate in Parliament. We have asked for an amendment to this act—this act which may be illegal. The Prime Minister (Mr. Trudeau) said in this House the other day, "We are just building this northern pipeline by stages like you build the St. Lawrence Seaway—one lock at a time." The problem is that it is more like authorizing the building of the St. Lawrence Seaway and then building the Erie canal! It is totally different. It is comparing apples with oranges.

This is a very fundamental matter for Parliament, if we take Parliament seriously. Parliament authorized a transportation pipeline and then the government—not by coming back to Parliament but by order in council—authorizes an export pipeline. I hear it said that Parliament does not matter any more, that it is useless, that in this new age what we have is really cabinet dictatorship between elections.

It is up to us, Madam Speaker, to decide if we are going to let Parliament not matter any more. This is a fundamental issue that we in the NDP are going to continue fighting for.

At the conclusion of his remarkable speech when he was urging the building of a Canadian transcontinental railway, Sir John A. Macdonald, as reported at page 494 of *Hansard*, volume one, of the debate of 1880-81 said this:

"I can trust to the intelligence of this House, and the patriotism of this country. I can trust not only to the patriotism but to the common sense of this country to carry out an arrangement which will give us all we want, which will satisfy all the loyal, legitimate aspirations, which will give us a great, an united, a rich, an improving, a developing Canada, instead of making us tributary to American laws, to American (gas companies) to American bondage, to American tolls, to American freights, to all the little tricks and big tricks that American (gas companies) are addicted to—"

I have changed two of Sir John's words, Madam Speaker. In two places I changed the word "railway" to "gas companies". Otherwise that is a verbatim statement of Sir John A. Macdonald in this House in discussing the building of the Canadian Pacific Railway.

I did that purposely, Madam Speaker, because in the Speech from the Throne the government said the same thing. They said that pipelines are really the railways of the twentieth century. I agree with that. That is why this matter is so important tonight. That is why we must not stuff this "railway" full of Canadian gas to go to the United States. That is why we must get rid of this colonial attitude or we will always remain a colony.

What we are doing is taking all our jobs and our gas and stuffing them into a pipeline and exporting them. That is the fundamental issue here. When hon. members opposite stand up and give the minister the kind of ovation they did, they should really think about that.

Mr. Gordon Towers (Red Deer): I will not take too much of the time of the House, but with all the exuberance that is in evidence tonight with the announcement, there is one forgotten group of people who are directly going to be affected by this line. I had hoped that the government in the past several weeks would have been able to have brought the Bill S-12 forward. That would have given a certain amount of protection to those people who are directly involved with the building of this gas pipeline.

● (2120)

My question to the minister would be—and I would hope that some time during the interim he would be able to answer this: Will those farmers on whose land this pipeline is going to pass over be given protection? Can we have a commitment from the government that these farmers will have the protection that Bill S-12 would have given them? Bill S-12 should be known to the government members because it came out of the Senate in the Thirtieth Parliament. It affects the hon. member for Medicine Hat (Mr. Hargrave), the hon. member for Bow River (Mr. Taylor) and the hon. member for Wetaskiwin (Mr. Schellenberger). We are responsible to those people.

At this time I have to give warning to the government that these farmers are going to be very difficult to deal with until we have an assurance from the government and the contracting firms that they are going to be protected. When you go on a farm, tear down the fences and mess up the surface of the land entirely, certainly those people are deserving of very direct consideration. Up to the present time the government has ignored this. I cannot state emphatically enough that consideration must be given to this question.

I spoke to the government House leader with regard to having Bill S-12 passed during this session of Parliament. Up to this time it has not been passed. Even if that bill cannot be

passed during this session of Parliament, I hope the government will be in a position to give those farmers the protection that bill would give them.

Mr. Lalonde: Madam Speaker, I first want to thank the hon. member for his interest in the subject and remind him that Bill S-12 was introduced at the instigation of the government in the Senate. I also remind him that Senator Olson has repeatedly brought this matter to our attention, requesting urgent consideration on the House side of the bill that had been considered by the Senate. As the hon. member knows, the session is far from over. I am advised by the government House leader that he will give urgent consideration to this issue.

Mr. Bill Yurko (Edmonton East): Madam Speaker, I have a short statement first and then I will follow up with a question.

Some hon. Members: No.

Mr. Benjamin: Ask your question.

Madam Speaker: The hon. member should restrict himself to questions. Statements have already been made by representatives of the different parties.

Mr. Yurko: Madam Speaker, whereas the former minister of the previous government made the following statement to this House on December 13, 1979, I have to repeat the statement by way of news release before I put my question—

Some hon. Members: No.

Mr. Yurko: It was a statement by the Hon. Robert de Cotret which was issued on December 13, 1979. The statement was as follows.

Madam Speaker: Order.

Mr. Benjamin: Ask the question or shut up.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, it is the desire of the Honourable Deputy to His Excellency the Governor General that this honourable House attend immediately in the chamber of the honourable the Senate.

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

● (2130)

[*Translation*]

And being returned:

Madam Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-3, an act to amend the Unemployment Insurance Act, 1971—Chapter No. 35.

Bill C-18, an act to promote public safety in the transportation of dangerous goods—Chapter No. 36.

Alaska Gas Pipeline

Bill C-4, an act respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes—Chapter No. 37.

Bill C-26, an act to implement an agreement between Her Majesty in right of the Province of British Columbia and Her Majesty in right of Canada respecting the sharing of revenues from the exploitation of minerals in the Fort Nelson Indian Reserve—Chapter No. 38.

Bill C-31, an act to provide for the imposition of certain economic sanctions against the Islamic Republic of Iran—Chapter No. 39.

Bill C-40, an act to amend the Pensions Act, the Compensation for Former Prisoners of Wars Act, the War Veterans Allowances Act and the Civilian War Pensions and Allowances Act—Chapter No. 19.

Bill S-8, an act to revive Pyramid Communications Limited.

ROUTINE PROCEEDINGS

[*English*]

NORTHERN PIPELINE

APPROVAL OF ALASKA GAS PIPELINE PRE-BUILD SECTION

Mr. Bill Yurko (Edmonton East): Madam Speaker, my question relates specifically to a portion of a news release of last December 13 by Senator Robert de Cotret, then minister of industry, trade and commerce. I would read just a very short part of it to come to the section pertinent to what I have in mind. The Senator stated:

I have had discussions with the principals in the Alaska gas pipeline project and have given them the assurance that the Government of Canada remains fully committed to the implementation of the Canada-U.S. agreement for the transportation of north slope gas from Alaska to the lower 48 states. Along with the significant industrial benefits to Canada, this project facilitates access to Canadian gas reserves in the Mackenzie Delta and the Beaufort Sea.

This is the pertinent section I am referring to:

Furthermore, the government is of the view that the pre-building of the southern sections of the system for the export of Alberta gas to the U.S.A. market in advance of the arrival of the Alaska gas is an important component of that project, both for its early completion and for the substantial benefit—

Some hon. Members: Question!

Mr. Benjamin: Sit down!

Madam Speaker: Order, please. The hon. member has to ask his question right now, as I have already been quite tolerant with him.

Mr. Yurko: I share the views expressed by the previous government when it agreed with the United States government—

Some hon. Members: Order!

Madam Speaker: The hon. member was going to ask a question. He must do so right now because he has already made quite a lengthy statement.

Mr. Yurko: Madam Speaker, I do not know how to ask the question unless I put the—

Some hon. Members: Sit down!

Mr. Benjamin: On a point of order, Madam Speaker, the hon. gentleman has just admitted he does not know how to ask

a question. He has taken all these minutes making a speech and I suggest that you do not hear him any further.

Madam Speaker: I think I have to apply the ruling to the hon. member for Edmonton East (Mr. Yurko). The period following a statement by the minister is set aside for questions to the minister thereon. If the hon. member wishes to ask a question immediately I will give him the floor one more time.

Mr. Yurko: Does the minister agree with the statement I referred to, and has he addressed himself to the need to export additional quantities of gas to the United States through the pre-build to ensure the completion of the entire northern gas pipeline? Has he addressed himself to that question at this time in connection with the following statement, that that government made—

Some hon. Members: Oh!

Some hon. Members: Order!

Mr. Yurko: —back a few years ago, which was as follows—

Some hon. Members: No!

Mr. Yurko: Madam Speaker, can I—the statement was as follows, made on March—

Madam Speaker: Order. The hon. member for Broadview-Greenwood (Mr. Rae).

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have three questions for the minister. The first is with respect to the agreement which was signed by the Minister of Finance (Mr. MacEachen) on behalf of the Government of Canada in 1977 and was also signed by Mr. Schlesinger. The schedule provides for expeditious construction in section 2, that the line will be begun in Alaska on January 1, 1980, will be begun in Yukon on January 1, 1981, and that other construction will start on January 1, 1983. My first question to the minister is a very simple one. When is the line going to be started in Alaska? It is already behind schedule. Can he please tell us when that line is going to be started in Alaska since it was signed in the agreement?

Mr. Lalonde: It is expected, Madam Speaker, that the Alaska line will have to be started in 1983, for completion by November, 1985.

● (2140)

Mr. Rae: I am sure the minister will also be telling us in his answers what steps the government plans to take if the line does not in fact start in 1983. I think it was the hon. member for Yukon (Mr. Nielsen) who suggested he resign his seat. That should be the least of his punishments.

The second question I have is with respect to swaps. Yesterday and the day before in answer to questions from our party the minister said he would have a statement to make with respect to swaps when he made his statement in the House tonight. Does he have that kind of statement to make tonight?

Mr. Lalonde: Yes, Madam Speaker. I am ready to make comments on this, as I indicated. Indeed, it was my view that we should negotiate for swaps, and that is what I have done. I have had extensive discussions with the American authorities, particularly the American secretary and the deputy undersecretary, especially during the summit in Venice. We discussed and reviewed this matter at great length and examined possible avenues, and it was concluded—unfortunately, I have to say—that arrangements for swaps were not feasible and not administratively possible in this instance.

Some hon. Members: Oh, oh!

Mr. Benjamin: You have been had again.

Mr. Lalonde: I have gone into this matter to a great extent. We have tried, and I must say in that respect that I have been unable to achieve arrangements which would be satisfactory. I came to the conclusion myself that the objections and the problems which had been raised in considering such an arrangement were quite genuine and that it was impossible to make such arrangements.

I also came to the conclusion that the question of swaps was not as essential as it appeared in terms of supply for future Canadian needs. We have quite clear evidence that Canadian supply is quite large and that we can be assured that the future of Canadian supplies remains guaranteed.

Mr. Rae: Old "ironclad" has become "Mr. Playtex", Madam Speaker. He has been playing strip poker with the President of the United States, and the emperor has no clothes on tonight.

The Northern Pipeline Act states specifically—and the word is used throughout the act—that "pipeline" means the pipeline for the transmission of natural gas from Alaska across Canada along the route set out in annex 1 to the agreement. I would like to ask the minister whether he is prepared to table tonight the legal opinion of the law officers of the Crown with respect to the fact that the pipeline, on the government's own admission, is not a pipeline which goes from Alaska to the 48 states but an export gas line which is located solely in the province of Alberta. Could he please tell us what the legal justification is for that transformation?

Mr. Lalonde: Madam Speaker, I am very sorry about the terrible damage the hon. member for Yukon and the hon. member for Broadview-Greenwood are doing to my reputation for being an inflexible, arrogant and tough negotiator.

Mr. Nielsen: You did it yourself.

Mr. Rae: You are only tough when they are weaker than you are.

Mr. Lalonde: I hope that after this they will laud my understanding.

Let me answer the question raised by the hon. member, which is very important, very major and very basic. Again I want to say quite clearly that this pre-build is authorized and

can be authorized only as part of the construction of the total Alaska gas pipeline. It cannot be authorized as a mere export line or a mere line for the export of Canadian gas. That is provided for under the treaty. That is provided for under the act passed by this Parliament, and that has consistently been the view and the policy of the government.

We have acted on the basis of the advice of the law officers of the Crown. We have had the necessary legal opinions, but the hon. member knows that it is a well-established tradition in this House as well as in the British Parliament that, legal opinions of the law officers of the Crown are not for tabling in the House of Commons. That is a rule which Parliament has followed over the centuries. However, I can assure the hon. member that the proper legal opinions have been obtained, and they confirm that everything the government has done in this respect, respects both the letter and the intent of the law. I cannot be more emphatic in that respect.

Mr. Rae: See you in court.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Côté for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Madam Speaker: It being 9.45 p.m., it is my duty, pursuant to the provisions of Standing Order 38(5), to interrupt these proceedings and forthwith put every question necessary to dispose of the main motion.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles: On division.

Motion agreed to on division.

Hon. Yvon Pinard (President of the Privy Council) moved:

That the address be engrossed and presented to His Excellency the Governor General by Madam Speaker.

Motion agreed to.

* * *

[*English*]

NORTHERN PIPELINE

APPROVAL OF ALASKA GAS PIPELINE PRE-BUILD SECTION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I would like to ask the minister just a couple of questions. My first question relates to the rather curious, if not deplorable, timing of this announcement tonight with respect to what the minister previously required, namely, an ironclad commitment that the whole of the pipeline was to be built before any part of it would receive permission to be built.

The question I am really asking is in relation to the dilly-dallying which has been going on in the cabinet room over the last few weeks and the great amount of agonizing over this question by the cabinet tonight. Obviously the cabinet has really been sweating murder over the last few days to try to get a commitment out of the United States government with respect to the announcement made tonight.

The minister's timing is bad. I am sure he should have realized that President Carter has been glued to his television set all week and probably would not want to commit himself in writing to any matter, but is this halfhearted letter tonight the commitment—

Madam Speaker: Order, please. I also have to ask this hon. member to put a question to the minister. That is what this period is for.

Mr. Lawrence: Madam Speaker, I am asking the minister if this halfhearted letter tabled tonight, which we had some trouble getting and which my hon. friend did not have the opportunity of having during the course of his remarks, is now considered by the minister to be the ironclad commitment to build the whole of the pipeline? Obviously it is not a commitment.

• (2150)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources):

Madam Speaker, I am very happy to answer the particular question raised by my friend. The decision of the government is essentially based on three factors, three clear elements which are specific, and a broader one which is general. The first one is the undertaking which we have been able to obtain in the United States between the producers and the distributors to commit $500 million for the engineering and the beginning of the work in Alaska; that is $500 million on the line.

Second, we have a letter from the President, on the interpretation of which I disagree strongly with my hon. friend. The president indicated a very strong commitment of the administration to the completion of this pipeline before the end of 1985.

The third commitment, the third element which has been the basic decision of the government, has been the unanimous resolution by both parties of Congress, committing Congress to the completion of that line by 1985.

I have heard one of my friends in the NDP saying that one Congress does not bind another Congress. He knows, or he should know, that there are only two parties in the United States, and after the election there will be either a Republican majority or a Democratic majority in the Congress. What is interesting in this case is that we have the unanimous consent of both parties in the U.S. Congress and a commitment to see to it that this line is completed by the end of 1985.

Some hon. Members: Hear, hear!

Mr. Lalonde: There are three very specific steps that have been taken during the last few weeks which did not exist before. In addition, there is the broad element that it is quite clear now that the construction of the whole pipeline has become vital to the national security and interest of the United States. In a way you could have a fully unquestionable commitment only if you had the line actually built, because until it is actually completed you never know what can happen, and even when it is completed you do not quite know what will happen. We have seen this in Come By Chance where a great refinery was built and the parties walked away from it. But what we have in this case is a clear, complete commitment of the U.S. Congress as well as the U.S. administration, plus $500 million on the line from the partners. I think that is an ironclad commitment indeed.

Mr. Lawrence: Madam Speaker, my second question to the minister really should relate to his request enunciated in December of last year with regard to a pipeline to the maritimes and a pipeline to the eastern portion of Quebec beyond Montreal. He indicated that that pipeline should be built first and paid for before any other facility to export gas is considered. That was my second question, but I am intrigued to find out the actual wording which the minister says is a financial commitment on the part of the United States government, which he required also on December 6, in this rather barren letter which he has tabled here tonight. He can take either one of those questions, I do not care.

Mr. Lalonde: I will answer both, and I do not care. With regard to the first one concerning the pipeline to Quebec and the maritimes, if the hon. member has been in the House he has heard that the government has already approved the construction of the pipeline to Quebec and that the completion of the second part of that pipeline to the maritimes remains indeed a third option and a very high priority with this government.

Mr. Andre: Paid for by the proceeds of the gas sale.

Mr. Lalonde: That is our commitment. We have already delivered on the first half of this commitment which we made in the statement in which we said there should not be approval of the pre-build until that aspect of the pipeline to the east has been addressed.

So far as the second point is concerned, the question is not whether there is financial commitment but rather whether we have a commitment of the U.S. Congress and U.S. administration. Whether it is financial, legislative, administrative or otherwise, we have the commitment of the two branches of the U.S. authorities which have to deal with this matter, and that is good enough.

An hon. Member: They have double-crossed you before, they will double-cross you again.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, by no stretch of the imagination, I say with respect to the minister, can anything that is held in the letter to the United States be called a commitment upon which he would want to bet any of his own money. I think that is the position with respect to that.

I want to ask him a question with respect to the approval process. I am referring to page 17 of the text of the minister's statement which says:

> However, it still remains necessary for the board and Senator Olson to make a judgment as to whether Foothills is, in fact, capable of meeting the requirements of condition 12, as amended, with respect to financing of the project in Canada. I expect that both the board and Senator Olson will be in a position to reach a decision on that question within the next few days.

The senator is a non-elected official, notwithstanding the fact that he is a member of Parliament, generally speaking, being a member of the Senate. I want to understand the process. Has the senator, by today's decision of the cabinet, been authorized, after consultation with the National Energy Board and the decision by it, to make the decision now by himself, or does he have to bring his findings preparatory to his decision back to cabinet and have cabinet make the final approval on something that, by the minister's statement, is still outstanding?

An hon. Member: What is the difference whether he does it or the cabinet does it?

Mr. Lalonde: On the first part of the hon. member's question I will tell him that if I had money, I would indeed bet on the construction of the whole pipeline, and I would not hesitate to do so.

An hon. Member: How much?

Mr. Lalonde: Everything I had, if I had any money.

So far as the main question raised is concerned, the hon. member knows the Northern Pipeline Act very well. The act states that the matter has to be examined by the National Energy Board and the NEB will make a recommendation to the minister responsible for the northern pipeline, and that is Senator Olson. That is the law. Senator Olson is a full member of the government, a full member of the cabinet. He has the same authority as any other member of the cabinet, and when he acts under the law he acts for the government.

An hon. Member: Whom does he represent?

Mr. Lalonde: That is the way it is going to be followed.

An hon. Member: He is a loser.

Mr. Lalonde: I am sorry, but the hon. member opposite seems to have had a very good dinner tonight.

An hon. Member: He should have been eating crow like you.

Mr. Lalonde: He wonders whom Senator Olson represents. He represents the people of Canada because he is a member of Parliament.

Some hon. Members: Oh, oh!

An hon. Member: He is a loser.

Mr. Lalonde: As a member of the cabinet, he will make a decision under the law. He may consult whomever he wishes. I am not in a position to say whether or not he would want to consult other colleagues in the cabinet, but under the law he has authority to act.

Mr. Baker (Nepean-Carleton): If the minister thinks about this he will realize that he has already bet all he has on the outcome of the pipeline; that is his reputation and his credibility. He did that last December. In any event, the minister has made it clear now that, in his judgment, Senator Olson is only obligated now to consult.

● (2200)

Mr. Knowles: Or fall.

Mr. Baker (Nepean-Carleton): Or fall. The minister indicated in the affirmative to that question by nodding his head. Would the minister undertake to table in the House tomorrow the orders or other instruments which approve of this decision today by the Government of Canada, so that the House can see, as cabinet saw today, those matters beyond the statement of the minister which concerned cabinet, and the precise terms and conditions of the legal instruments setting this process in motion?

Mr. Lalonde: Mr. Speaker, indeed I will be very pleased to obtain all those documents and table them tomorrow. Reference was made to the amendment of condition 12. I believe those amendments to condition 12 were made public by the National Energy Board in April. I have copies of them here, but they are not the actual text of the order in council approved today by cabinet. I am quite willing to give copies to my friends if they wish, but I suspect we might as well wait and table the order in council itself tomorrow. If my friends prefer, I can also table the NEB recommendation of last April.

Mr. Baker (Nepean-Carleton): I thank the minister for that. It would be quite agreeable if he tabled them all tomorrow, if they are available.

Mr. Nielsen: Mr. Speaker, I have a supplementary question to this one. The hon. member for Nepean-Carleton (Mr. Baker) asked part of the question I was going to ask. I refer the minister to page 8 of the statement which he provided to me where he said:

> —the government has had before it information on a number of steps that have been taken in the United States to encourage and facilitate the commencement and expeditious completion of the project by late 1985.

Apart from the material tabled this evening by him, would the minister undertake to table any other information upon which the government made its decisions, in particular, any notes which might have been exchanged between the Government of Canada and the government of the United States that I understand are necessary, if any amendments are to be made to the international agreement signed by both countries which forms part of the legislation?

Alaska Gas Pipeline

Mr. Lalonde: Mr. Speaker, I will investigate whether there are any further documents than those to which I referred in my opening statement or to which we have referred tonight. I will let the hon. member know what the documents are, if they relate or if they are pertinent to the decision of cabinet. As far as I know, the only documents are those that have been tabled tonight and the orders in council to which we referred a few moments ago.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have a question for the minister. I notice the President's letter of today refers to a letter written by the Prime Minister (Mr. Trudeau) in March. I do not know whether that letter has ever been tabled in the House. If not, I wonder if the minister would see to it that that letter is tabled, because it may be that this half-hearted letter by the President simply rose to the level of the letter written by the Prime Minister. I would like to make that comparison. The minister has heaped hope and praise on the congressional resolution by the joint Houses. Does that resolution have the force of law?

An hon. Member: No, it does not.

Mr. Lalonde: It has the same force of law as any commitment made by this House of Commons or by this Parliament when it adopts a resolution, a motion, any action, statement of intention or statement of action. It is an act of Congress. As with any decision formally passed here has the authority of this Parliament, this is the Congress of the United States speaking unanimously.

Mr. Friesen: The resolution reads that it is the sense of Congress. Tonight the minister said that we must begin to build the American section in 1983 if it is to be completed by 1985. In the interim between now and 1983, there could be at least two elections in the United States changing the character of Congress. Is it not possible that the sense of Congress could change in the United States and that another resolution could be passed unanimously withdrawing from that commitment?

Mr. Lalonde: It is the same as saying that this Parliament could go back and reverse a formal resolution passed by the Senate and the House of Commons, and supported unanimously by every member of Parliament in both Houses, which affected directly the relation of Canada with another country. If we found ourselves in a situation where, after an election, the same parties were back as before, I do not believe the Parliament of Canada would do any such thing without hurting tremendously its reputation internationally as well as nationally.

Some hon. Members: Hear, hear!

Mr. Lalonde: I do not think Parliament would do that.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I have three very short questions for the minister. I am sure the government examined the cost of a western-eastern gas pipeline as compared to the cost of the northern-southern gas pipeline. I should like to know what the difference in

cost is between building one to eastern Canada to supply the markets there from western Canada, as opposed to the cost of exporting our gas to the United States, as opposed to self-sufficiency in energy. What is the difference between the cost of those two pipelines?

Mr. Lalonde: Mr. Speaker, I would only say that it is a rather strange question because at the present time we have a gas pipeline which goes as far as Montreal and will be extended as far as Quebec City hopefully next year.

An hon. Member: What about Halifax and Moncton?

Mr. Lalonde: It will be extended to the maritimes as soon as possible. That is the situation at the present time. The option or the alternative is not between pre-building the southern section of the Alaska gas pipeline and alternatively building a new pipeline across the country. I do not have that figure. If the hon. member is interested, I will try to obtain a figure for him. I do not think any particular study has been made by any of the pipeline companies or any other agency of which I know that would have tried to cost the building of a whole new pipeline across Canada. At the present time no such project exists. I could inquire of my officials and give the hon. member a ball park figure, but indeed it would have to be at best a guesstimate unless TransCanada PipeLines, for instance, has already made such an estimate. No doubt it would be several billions of dollars; there is no doubt about that.

Mr. Anguish: Mr. Speaker, I appreciate the minister's answer. In fact I would like that information so that I can do a comparison myself. Would the minister please tell me how the announced pipeline this evening helps achieve energy self-sufficiency for Canadians from coast to coast, whether they be in the maritimes or in British Columbia?

Mr. Lalonde: It will happen indirectly, obviously not directly. Indirectly it will generate a very large cash flow to Canadian producers, producers of Canadian gas. That cash flow will allow them to expand their research and exploration for new resources and reserves. We will achieve the same thing as that which happened in the past, whether it was in the sixties or the seventies, when we were able to allow the sale of gas otherwise shut in. We provided the industry with a lot of cash with which it was able to explore further. It spent that money in trying to find more resources—more gas, more oil. If the member looks over the last 30 years, he will see that this has been the history of the development of oil and gas in the country. I have no reason to believe that it will not be the same thing following this decision tonight.

● (2210)

Mr. Anguish: I would like to ask the minister about two conditions. First, if that northern section of the pipeline is not built yet you say the Americans have an ironclad guarantee to use it at will; second, when our gas is depleted to a point where we are in an importing position and the Americans will not give us that gas from Alaska at a comparable rate, will the minister resign if he is still involved in public life at that time?

Mr. Waddell: Resign now.

Mr. Lalonde: On one hand my hon. friend says that the rest of the pipeline will not be completed. On the other hand, he is asking me to get Alaska gas in exchange out of a pipeline that does not exist. I think that party will have to make up its mind: it wants a pipeline without gas going through it, and it wants gas without having a pipeline to carry it.

Some hon. Members: Hear, hear!

Mr. Jack Shields (Athabasca): Mr. Speaker, I think it is very clear that Canada desperately needs the economic activity which will be generated by the construction of the southern portion of the Alaskan pipeline. The minister indicated that jobs will be located right across Canada. What studies were done regarding the economic spin-offs in the provinces across Canada? Where will these jobs be located, and were any studies done?

Mr. Lalonde: Yes, Mr. Speaker. It is indicated that indeed there will be benefits for most regions in this country. First of all, in terms of direct benefits, and these can be easily identifiable because they are direct expenditures, it is estimated that British Columbia will see expenditures of $70 million; Alberta will see expenditures of $650 million; Saskatchewan, Manitoba, Ontario and Quebec expenditures of $360 million.

The Canadian manufacturing benefits—and there one cannot precisely identify them by regions, one has to assume that they are spread very broadly indeed—are estimated to be $750 million, and the Canadian manufacturing expenditures are expected to be in the range of $400 million.

Mr. Nielsen: All those were there last December.

Mr. Shields: I would like to ask the minister one final supplementary. Will he be requiring the contractors or the builders of the pipeline to award contracts for pipe, materials or whatever, on any basis in Canada other than the lowest bidder?

Mr. Lalonde: Mr. Speaker, first of all if I may come back to the previous question, I mentioned British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, but I must mention that the other provinces in the rest of Canada will also get $10 million estimated expenditures out of this pre-build.

As far as the question raised by the hon. member is concerned, as he knows I am not the minister responsible for the pipeline. I will inquire and give him the information. I have no reason to believe that the awarding of contracts is not done on any other basis than competition. These contracts are let out by private industry, namely Foothills, which is the company responsible for the building of this pipeline. I have never received any information to the effect that there was ever any discrimination in terms of awarding contracts for supplies or otherwise. I will inquire if there is any justification to be concerned about this. If there are causes of concern, I will certainly inform the hon. member.

Mr. Shields: Mr. Speaker, I have a very brief supplementary. I think that it is quite clear and I believe we all know that on occasion this is done where contracts are awarded on other than the low bid. That might not necessarily be bad, but I wonder if there would not be the possibility to examine the spread of contracts and maybe allow some of the contracts to reach farther into the maritimes and some other provinces. Which also need this economic benefit? As the minister has indicated, the maritimes will get $10 million compared to $360 million going to Saskatchewan, Manitoba, Ontario and Quebec, and $750 million to manufacturing, and so on. I wonder, therefore, if the minister would perhaps look at that.

Mr. Lalonde: Mr. Speaker, it would only be with the greatest reluctance that we would want to go into this particular approach of almost allocating contracts for the private sector.

I would remind the hon. member, however, that in the east we have a large expansion in pipeline capacity with the authorization of the pipeline to Quebec City at the present time. I hope that we will be able to see the construction also of the pipeline to the maritimes before very long. The construction of the pipeline to Quebec City is quite clearly giving a competitive advantage to firms in the maritimes, in Quebec and the neighbouring area of Ontario which is in close proximity to the actual building site. I would expect from the building taking place in the east that there will be substantial benefits to the eastern areas.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have three questions, and I will try to be brief. The first question relates to the position of the government of the province of British Columbia, from which province I come. I must say, both as a British Columbian and a Canadian, this is a very sorry day in the history of our country in terms of the sell-out of our natural resources. I would be interested to hear from the minister what is the present position of the government of British Columbia with respect of the sell-out of our resources? Can the minister tell us what the benefits are for the people of British Columbia in this particular sell-out? But, most important, what position has the government of British Columbia taken?

Mr. Lalonde: Mr. Speaker, I am pleased to report to the hon. member that the government of British Columbia has expressed reservations about the construction of this southern section of the gas pipeline. However, it has not been a reservation because it was, as he calls it, a sell-out of Canadian resources. It was a concern because the government of British Columbia would not be able to sell to the United States as much gas as it would like to sell, which is a very different story.

Mr. Pinard: Right on.

Mr. Lalonde: I might remind the hon. member that we have an NDP government in office in Saskatchewan and it is very happy to see sales of oil and gas to the United States when they are evaluated as surplus. I might also remind the hon. member that when the NDP was in office in British Columbia there were large gas sales from British Columbia. My hon. friend is asking me what is the position of the government of British Columbia. The government of B.C. has expressed reservations as to the effect of those sales upon sales from British Columbia into the United States.

• (2220)

I also raised this issue with the government of Alberta because it was a matter of concern to me. I can tell the hon. member that this is one aspect which we weighed very carefully in our discussions in cabinet on this very issue, whether or not there would be damage to the markets of British Columbia through the United States. We have been assured by the government of Alberta that they do not feel that this is the case.

When I met with my colleague, Mr. McLellan—last Monday we reviewed the situation again—he indicated to me that the government of Alberta and the government of British Columbia had agreed to set up a joint committee to examine the possible impact of the pre-build if it were to proceed, and that there was recognition by the government of Alberta that, if necessary, some steps would be taken to avoid damage to the exports from British Columbia to the United States. I indicated that as far as we in the federal government are concerned, we are ready to co-operate in whatever way possible to make sure that the province of British Columbia will not be prejudiced by this particular decision with regard to its exports to the United States.

Mr. Robinson (Burnaby): Mr. Speaker, what we have here is a very clear statement, at least to the extent that it is possible for the minister to be clear on this subject, that the government of British Columbia is indeed opposed to the pre-build. I would point out, if the minister is bringing in history, that it was an NDP provincial government which made sure that the people of British Columbia received a reasonable return on our own natural gas and raised the price to a sensible level.

Mr. Deputy Speaker: Order. I would bring to the hon. member's attention that under the rules he is permitted to ask questions. I suggest that he do so.

Mr. Robinson (Burnaby): I am sorry, Mr. Speaker, but the minister took some rather great liberties in his reply and I was merely attempting to take the same kind of liberties.

Some hon. Members: Oh, oh!

An hon. Member: Ask the question.

Mr. Robinson (Burnaby): My second question relates to the guarantees which we supposedly have for this important project. The minister has specified three guarantees. He has specified a congressional resolution, a statement of intention for the spending of 2 per cent of the total cost, and a letter from the President.

Did the minister consider that all three of these particular conditions were essential before he decided to recommend to cabinet the approval of this particular project? If not, which conditions were not essential? Finally, what avenue will there be to enforce any of these conditions should the government of the United States decide that they wish to change their mind?

Mr. Lalonde: Mr. Speaker, I am glad the hon. member has recognized that the NDP government of British Columbia encouraged the export of natural gas when it was in office.

With regard to the question by the hon. member, indeed the three factors were a major determinant in our decision. The hon. member refers to only 2 per cent of the cost, but that means $500 million. I have yet to see even large businesses who think they can throw to the wind $500 million and say that it does not matter; we are not obliged to proceed with anything. Why should they waste $500 million? It may not be much money to the NDP, but we believe that it is a lot of money and a large downpayment even for a project such as this.

We wanted a commitment from the American administration and also a commitment from the United States Congress, because we did not want a repetition of the situation in which we find ourselves with regard to the fisheries.

An hon. Member: We are in the same situation.

Mr. Lalonde: My hon. friend must study the situation wher he says that we are in the same situation, because he is completely wrong. We never received a commitment from the U.S. Congress concerning the fisheries treaty before we made an agreement with the United States in that regard. In this instance, we received a clear commitment from both the administration and Congress, and then $500 million from the industry. In our view, that is quite a commitment and quite good enough.

Mr. Robinson (Burnaby): Mr. Speaker, my final question relates to a corollary issue. I would point out that the minister has not answered my question about how these guarantees can be enforced, and I hope that the minister will do so. If the United States decides in the next two or three years that it is cheaper or, for any other reason, more advantageous to move Alaska gas rather than by pipeline, by tanker down the west coast of British Columbia, what can the government do to ensure that the pipeline will in fact be built? What enforceable guarantees do we have that the United States will not decide down the line that tankers are more advantageous?

Mr. Lalonde: The points raised by the hon. member in his previous question and in this question are related. The Government of Canada is not without defences and without means at its disposal. If it were to find at any time that both Congress and the administration, in addition to the private sector, intended to renege on their commitments, there are a number of—

An hon. Member: Oh, oh!

Mr. Lalonde: I can see that my friend has never played poker before. I thought he was a great player, but I think he needs some practice.

Mr. Waddell: You threw away your aces.

Mr. Lalonde: I think that it would be silly and irresponsible at this time to assume that the Congress of the United States, and that the President of the United States, will not live up to their word. It would be completely irresponsible and it is not the type of assumption I am ready to make.

Mr. Waddell: Look at their words.

Mr. Lalonde: What I will say, however, is that if such a thing were to occur, it would probably be the greatest breach of faith committed by the United States on Canada in the last 200 years. I am not one to assume that the Congress and the presidency will not live up to their word.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the minister in his statement and in answers to some of the questions has mentioned the rich industrial spin-offs during the construction phase. However, he has not mentioned anything of the presumably equally rich tax windfall which will come to the federal treasury as a result of this project.

In light of this windfall tax benefit, and in the interests of energy self-sufficiency, particularly through substitution, I am wondering whether the government will be disposed more than it is now to assist, if asked, in the construction of a gas pipeline from, for example, the mainland to Vancouver Island or the extension and the conversion of the M and Q line into a Q and M line.

Mr. Lalonde: I am very happy to tell the hon. member that those issues are being considered at the present time. However, I am not in a position to give a definite answer at this stage, for the very good reason that we have not concluded our discussions concerning the sharing of revenues, particularly with the producing provinces.

I want to assure the hon. member that our purpose in trying to enlarge the share coming to the federal government is, indeed, aimed at centering those additional moneys which would be raised on energy initiatives. I can tell the hon. member that the two points which he has raised are two points which we have very much in mind.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I understand, or we are led to believe, that the letter received by the Minister of Energy was in response to a letter written by the Prime Minister (Mr. Trudeau) to the President of United States. The minister has tabled the letter from the President of the United States. Would he do the House the courtesy of tabling a copy of the letter which the Prime Minister wrote to the President of the United States?

Mr. Lalonde: Mr. Speaker, I am sorry that I forgot to answer this point when it was raised previously by another hon. member. Indeed I will inquire. The letter may have

already been made public. Even if it has been made public, I will inquire as to whether or not it can be released. I assumed they will. I will try and get it ready for tomorrow, and I will table it at the end of the question period if there are no particular problems with it.

• (2230)

Mr. McKnight: Has the minister given any consideration to double-piping or twinning this pipeline?

Mr. Lalonde: Not yet, Mr. Speaker. If I may, I will come back to a question raised by another hon. member concerning the possibility of building LNG tankers later as an alternative.

In 1977, the United States government carried out a study of this particular issue and came to the conclusion that it would cost at least 30 per cent more to transport natural gas by tanker than by pipeline. As my hon. friend knows, using tankers also implies continuing costs that tend to inflate very substantially, while a pipeline, once built, has only a comparatively small operating cost.

Mr. McKnight: Has the minister received any representation from the province of Saskatchewan, which imports natural gas from the province of Alberta, to generate hydroelectric power? Has the government of Saskatchewan made any representation on how this could affect their purchases of natural gas from Alberta?

Mr. Lalonde: No, Mr. Speaker. I have not seen any such representations. I will inquire from the minister responsible for the Northern Pipeline Agency, and if there have been such representations I will inform the hon. member. But to my knowledge no such representations have been made.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a couple of questions for the minister. Also, I will inform the hon. member for Kindersley-Lloydminster (Mr. McKnight) that Saskatchewan bought gas in Alberta many years ago and a Liberal premier sold it off. It might be smart for Ontario to buy surplus gas in Alberta right now.

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

Mr. Benjamin: When a resolution is passed by the United States Congress or by the Parliament of Canada, unless and until the administration implements those resolutions they carry no force or weight, and unless and until the administration implements the resolutions of Congress we are relying only on their word. We have nothing in writing: we have no treaty or anything else.

My second question is, would the minister advise the House what the division is on the pre-build, let alone the whole line, of construction of pipe, since the federal government has put money into the expansion of a plant in Regina? My steelworkers telephoned me today telling me they would be just as interested in making pipe for a line to Halifax and Sydney and Vancouver Island as they would be to the United States. What is the proportion of steel for a pre-build, and what is the proportion if, by some accident, we get the whole build?

Mr. Lalonde: Mr. Speaker, I have some difficulty in following the hon. member's two questions and I hope I will be able to answer them properly. On the first question, I would remind the hon. member that we have a treaty with the United States. He said we do not have a treaty, but we do have a treaty with the United States. Now we have the commitment from the President and we have a unanimous commitment from Congress, both houses, both parties in the United States. I think that is a very significant development. I will not go any further with that, because I think it would be repetitious.

Mr. Waddell: You cannot say that with a straight face.

Mr. Lalonde: As far as the plant in Saskatchewan is concerned, the Liberal government was very happy indeed to help. I can only tell the hon. member that under the pre-build itself, Saskatchewan and Manitoba would be the beneficiaries of about $360 million. I think a significant part of this would go to the Ipsco plant in particular. If the total line is built, it will represent $1,520 million of expenditures in Saskatchewan and Manitoba.

As far as the other part of the question is concerned, I am glad the workers of Ipsco will be happy to have work and good jobs in building this pipeline. I am sure, in spite of what the hon. member has said, that they will be happy to contribute also to the Vancouver Island pipeline and to the Quebec and maritimes pipeline. I do not see why the hon. member would want to refuse those workers the right to have jobs in building the pre-build also. These are not exclusive.

Mr. Benjamin: Mr. Speaker, I guess all the steel workers in Regina want to know is, when will the Government of Canada have a policy, since the Americans have to come to us for their gas and for our gas: when is Canada going to stand on its feet and say to the Americans, "We will be glad to be a good neighbour. We will build a pipeline to carry your gas and our gas. But first we are going to provide our gas to Canadians and Canadian steel workers are going to make pipelines for that gas for Canadians."

When are you going to quit running around with your nose at the backside of Yankee traders, who are going to be—

Some hon. Members: Oh, oh!

Some hon. Members: Withdraw.

Mr. Benjamin: They are going to betray you. I wonder if the minister has checked with Mr. Reagan, or if Mr. Carter can give him any assurance.

Mr. Deputy Speaker: Order, please. The hon. member for Vancouver-Kingsway (Mr. Waddell) on a point of order.

Mr. Waddell: A point of order, Mr. Speaker. If you would, I would like you to outline the exact procedure with respect to what we are doing now. That is very important, because a member can ask a simple question while the minister can

answer at some length. I understand that is the way the procedure works, and I should like Your Honour to confirm that. I do not want the House to think that what we are doing tonight is a substitute for a full debate on this issue.

Could Your Honour guide me on that and tell me that this is not a debate but is simply questions being put to the minister? If it is otherwise, then hon. members should be allowed to debate this very important issue.

Mr. Deputy Speaker: Order, please. I will quote the rule of the House, Standing Order 15(3), which reads as follows:

On Statements by ministers, as listed in section (2) of this Standing Order, a Minister of the Crown may make a short factual announcement or statement of government policy. A spokesman for each of the parties in opposition to the government may comment briefly thereon and members may be permitted to address questions thereon to the minister. Mr. Speaker shall limit the time for such proceedings as he deems fit.

The Chair has shown a certain latitude tonight and wishes to call the attention of hon. members to the fact that their privilege at this point extends to putting questions to the minister. I hope the questions will be short and to the point, and I presume the answers will be also.

Mr. Baker (Nepean-Carleton): A point of order, Mr. Speaker. I appreciate that you have read that important rule. We are now moving into an extended period of time which I think is quite appropriate, given the importance of the subject.

Mr. Waddell: It is not a debate.

Mr. Baker (Nepean-Carleton): I think the discretion of the Chair has been well exercised, if I may say so. With respect to the period of time within which members may question the minister, I hope the minister would agree, and that members would agree, that with this matter now before the House, the Chair should know it has the support of the House if it allows this question period to continue for some considerable period of time. I think it is important that members of the House, regardless of the party to which they belong, have the right to an exhaustive question period on this important matter.

I see the minister nodding his head in agreement, and I would hope the House would agree that the Chair be supported if it exercises its discretion to allow the continuation of the question period for as long as there are questions on this issue.

Mr. Deputy Speaker: Order, please. It is the intention of the Chair to recognize all those who are seeking to ask questions. However, the Chair has not yet engaged on a second round of questions. We are still on the first round of those who have not been recognized. The Chair has permitted supplementaries, and hopefully this is with the consent of the House, and hopefully they will be within some time limitation and some restraints.

● (2240)

Mr. Lalonde: Mr. Speaker, after the intervention of the hon. member for Regina West (Mr. Benjamin), I can understand the hon. member for Vancouver-Kingsway (Mr. Waddell) wanting to create a diversion. In the first part of his statement the hon. member stated the Liberal government policy perfectly well. Indeed, this is government policy and Liberal policy. We are not authorizing, and we are not going to authorize, any exports unless we are sure that Canadian needs are going to be met first and the needs of future Canadians are going to be protected. This is our policy.

Of course our policy is also to make sure that Canadians benefit first from the building of the Canadian sections of the Alaska gas pipeline. I think the announcement made tonight is very good evidence of our concern to ensure that all Canadians benefit from such a decision. As far as the latter part of the diatribe by the hon. member is concerned, I do not think it deserves an answer.

Mr. Benjamin: Mr. Speaker—

Mr. Deputy Speaker: The Chair has permitted supplementaries by the hon. member for Regina West. At this stage the Chair will recognize the hon. member for Victoria.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is my understanding that, according to the act, before this construction can begin the federal government must conclude agreements with Manitoba, Saskatchewan, the Yukon and British Columbia to permit the construction. I understand these agreements have been concluded with Alberta, Saskatchewan and the Yukon, but not with British Columbia. Can the minister tell us what is the stumbling block there? Does he have hope of concluding them soon, and what will he do if he cannot conclude them?

Mr. Lalonde: The hon. member is right, Mr. Speaker, the agreement with British Columbia has not yet been concluded. There are still discussions concerning some of the benefits the government of British Columbia would like to have. In particular, it deals with the clause on non-discrimination that is provided for in the treaty regarding domestic tariffs for the Alaska gas pipeline. Up to this stage the government of British Columbia has not agreed to guarantee to the Canadian section of the Alaska gas pipeline the same treatment that is being provided for the intra-B.C. pipeline. This is where there are still discussions in some areas of disagreement. Discussions will have to continue.

I presume the government of British Columbia will eventually reach an agreement along the same lines as the other two provinces and the Yukon territory have already reached agreements. I think the agreements reached with the other provinces were fair. They were in conformity with our treaty with the United States. Again, I have no reason to believe that the government of B.C. will not want to co-operate in the construction of the whole pipeline since it is going to benefit all Canadians, including Canadians in B.C.

Mr. McKinnon: British Columbia is in a rather different position than Alberta in this, which I presume is well known to the minister. They are in danger of this going through and being priced out of their own market, due possibly to a difference in the royalties that are rather modest in Alberta.

Can the minister advise if that is the reason he is having difficulty concluding this agreement with British Columbia? If not, what is the real reason?

Mr. Lalonde: Mr. Speaker, I am not the minister in charge of those negotiations. Those negotiations are being carried on by the minister responsible for the Northern Pipeline and the Northern Pipeline Agency. I do not know that these are the reasons. I do not believe they are the reasons that have been invoked up until now, but I will inquire and let the hon. member know.

Mr. Deputy Speaker: The hon. member for Victoria on a final supplementary.

Mr. McKinnon: Mr. Speaker, I would like, if I might, to have two supplementaries. That would finish me for tonight.

I notice in the letter from the President to the Prime Minister he starts off by saying, "Since you last wrote to me in March". We have been under the impression, gathered quite a bit from the minister, that we had been putting great pressure on the United states to give us commitments and so on, yet we find out that we wrote to them three to four months ago, and it took three to four months to answer. Can I infer from this that the Prime Minister has not written to the President of the United States on this subject for some three to four months, and that it just lay fallow for that length of time?

Mr. Lalonde: The hon. member would be quite wrong in his conclusion, Mr. Speaker. There have been numerous discussions at the administrative level. Senator Olson has participated in some of these, and I have participated in some. I spent more than seven hours in meetings in Venice discussing this matter with the American secretary of energy and his undersecretary. The Prime Minister raised the matter with the President when they met in Venice. Therefore this matter has been very much on the mind of the government and, I expect, on the mind of the American authorities because, as the hon. member knows, significant steps have been taken on the American side in the last few months.

Mr. McKinnon: Mr. Speaker, there may have been a lot of discussions, but there seems to be very little in the way of the written word as a result of those discussions. We noticed how meagre the paper was that was tabled tonight. To get to the letter, the minister said just a few moments ago that we have a commitment from the President of the United States. The letter is eight paragraphs long. It is rather heavy on commiseration rather than commitment. It gives opinions. There are lots of them. However, I find no commitment, particularly no financial commitment. Nowhere does it say "we will commit the financial resources of the United States to ensure this", or "we will back the loans necessary by the companies", or anything like that. If there is a financial commitment, and surely that is the commitment that is important, can the minister tell us what paragraph he thinks it is in?

Mr. Lalonde: The hon. member has a rather limited view of what a government can do. It seems that the only thing he thinks a government can do is spend money. The government has a lot of means at its disposal. What was important to obtain from the American government was that firm commitment that they would see to it that the pipeline would be built. Whether they do it by financial commitment, legislation, or other means, that is for the American government to decide. What is important is that we have that commitment. I refer the hon. member to page 2 of the letter, where the President clearly says, and I quote:

> In view of this progress, I can assure you that the U.S. Government not only remains committed to the project; I am able to state with confidence that the U.S. Government now is satisfied that the entire Alaska Natural Gas Transportation System will be completed. The United States' energy requirements and the current unacceptable level of dependence on oil imports require that the project be completed without delay. Accordingly, I will take appropriate action directed at meeting the objective of completing the project by the end of 1985.

Some hon. Members: Hear, hear!

• (2250)

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the minister has placed a great deal of confidence in the assurances of the different levels of the United States government.

An hon. Member: Why not?

Mr. Manly: I would ask the minister whether or not he considers that the government of the United States has always lived up to its commitments and assurances. For example, has it kept its commitment to the Indian people with whom it made solemn treaties in order to obtain their resources?

[*Translation*]

Mr. Lalonde: Mr. Speaker, my hon. friend is asking me to interpret a situation which concerns only the United States. I must tell him that we have to make a decision in this case based on the facts that we have before us and on the commitments we have obtained from the U.S. Congress, the President of the United States and the private sector concerned. I did point out that the commitments obtained from these three sectors are sufficient to convince us that the United States are truly committed to the construction of the whole Alaska pipeline, and I cannot see why my hon. friend raises doubts as to these commitments at this time.

[*English*]

Mr. Manly: It might help, Mr. Speaker, if the minister had a chance to talk to some American Indians about this. Since the pre-build route will pass through Indian reserves in Alberta and British Columbia, I would like to ask the minister whether or not there are provisions for affirmative action which will provide for Indian employment. If there are, what are they, and do they provide more than simply labouring jobs?

[*Translation*]

Mr. Lalonde: The hon. member raises a question which is surely of great interest and the government has already made

known its policy to promote employment among minority groups through positive programs, Indians as well as women. As in the case of the tar sands, we have already let the interested parties know that when the Canadian government contributes or participates through Petro-Canada, we request that measures be taken to protect those groups.

As for the project itself, as the hon. member knows, I am not the minister responsible for the pipeline as such but I will refer the matter to my colleague, Senator Olson, and report to him later. As the hon. member is aware, Senator Olson hails from Alberta, knows the situation and this is a matter which is of great interest to him.

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, in spite of the fact that I have been getting up and down and keeping in shape for the last 15 minutes, I shall ask three questions, with your permission, and make no comments before or after at this time.

Some hon. Members: Hear, hear!

Mr. Taylor: Since the surface rights procedures have not yet been approved by this House and likely will not be until this fall, and since the right-of-way buying will start almost immediately, what protection will be given to surface rights owners who might sign up prior to the passing of the bill we now have from the Senate?

Mr. Lalonde: The question raised by the hon. member for Bow River is one which has been raised before. The Senate has, indeed, passed the bill as I have indicated. My colleague, the President of the Privy Council (Mr. Pinard), has said he is giving thought to expediting consideration of this measure by the House. I shall inquire of my colleague, Senator Olson; I know Senator Olson had great interest in this measure himself, so I would presume that he will want to discuss this matter with Foothills and since this bill has passed, shall we say, half of Parliament, I would be inclined to think he would request Foothills to act as if the bill had been passed. But I will bring this matter to the attention of the minister, and I am sure he will give it full consideration.

Mr. Taylor: Since the decision made tonight will keep scores of small and medium-sized independent companies in business and will permit them to remain Canadian instead of being absorbed by American firms—

Some hon. Members: Hear, hear!

Mr. Taylor: —has there been any apparent opposition to this pre-build by any of the multinationals?

Mr. Lalonde: None that I know of, Mr. Speaker. Certainly I have received no personal representations. As a matter of fact, all the recommendations I have received from the producers, both small and large, have been to the effect that this particular decision was very much needed in the interests of the industry as well as in the interests of Canada.

Mr. Taylor: My third question has been partially answered, but I would ask this: will the Canadian content, in regard to equipment and materials, be 100 per cent or 90 per cent? Will definite steps be taken to make sure that Canadians have first right of refusal on all equipment?

Mr. Lalonde: If the hon. member will give me a few minutes I will check with officials of the energy board to see what exactly the provision is in this respect. I will provide the answer to him in a few minutes. I will try to get the information.

[*Translation*]

Mr. Ian Watson (Châteauguay): Mr. Speaker, the minister indicated tonight that all of Canada will benefit from the construction of that pipeline. Could he then give us some examples of the benefits the provinces in eastern Canada could derive from that program?

Mr. Lalonde: Yes, Mr. Speaker, I am pleased to say that the province of Quebec, for example, will benefit substantially from the announcement that was made tonight. I have already indicated that Quebec and Ontario will share among themselves, simply from that first part of the project, $360 million. In addition, when the entire project is put in motion, Quebec and Ontario will benefit from an additional amount of $1.57 billion, for a total for those two provinces of $1.93 billion.

So these are expenditures made in Ontario and Quebec in relation to a project that is taking place mainly in Alberta and British Columbia—expenditures that could reach up to $2 billion. In terms of specific examples, I am told, for instance, that Quebec firms, particularly a firm in Contrecœur, has a substantial contract for the manufacturing of parts used in the operation of the pipeline, whether it be engines, compressors or all sorts of other instruments used both in the manufacture and the operation of the gas pipeline. I think this is indeed a very good example of what Canadian federalism is all about and that a project like this which, even if it is carried out only inside a province, or seems to be carried out far from people living in eastern Canada, well, thanks to the existence of the Canadian economic union and the Canadian tie, all those firms can participate in the benefits involved and workers in Quebec as well as in Alberta will be able to benefit substantially through the contracts their employers will be getting in connection with the construction of that gas pipeline. So this is not simply a matter of welders or technicians from Quebec, for example, or Acadia or northern Ontario going down to work on the construction of the pipeline in Alberta and British Columbia but also of workers remaining in Montreal, Contrecœur, Trois-Rivières, Sudbury or Moncton being able to get down here substantial benefits from the decision that was announced tonight.

• (2300)

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, a large portion of this pre-build is going to run through my riding, and I oppose the project. I make that very clear, but I want to ask the minister whether there is any possibility that many of our residents who are not serviced by natural gas can have some of that natural gas for their use.

Mr. Lalonde: Mr. Speaker, I will inquire again on this very specific matter raised by my hon. friend. I am surprised that at the same time, as he opposes the pipeline he asks that his residents benefit from it. I am afraid this is another example of a typical NDP position. They want to have their cake and eat it too. The hon. members of the NDP should make up their minds.

Mr. Parker: Mr. Speaker, I am speaking as a true Canadian. I realize the benefits to all of Canada, and I know the people in my riding would also state this same kind of concern.

If this project is going to go ahead, what kind of protection will there be? I asked the minister over a month ago if he would hold hearings in the riding so that the concerns of the people could be heard. I asked for public hearings. I was told that the National Energy Board made those decisions, so I therefore ask the minister here and now what kind of compensation there will be if this project is to go ahead. There are people in the tourist industry who will be affected. There will be an influx of workers coming into communities. What kind of protection are they going to have?

An hon. Member: Do you know what you want?

Mr. Lalonde: Mr. Speaker, I think the people of the hon. member's riding of Kootenay East-Revelstoke will benefit substantially from the construction of this pipeline, notwithstanding the hon. member's opposition. They will benefit whether they are in the service industry or in the tourist business. They will benefit from this. Workers will be coming from other areas, and they will stay there. There will be work there for weeks and months building this pipeline. This will create revenues for all kinds of stores, shops, restaurants, hotels, you name it. I can only tell the hon. member that his constituents will indeed benefit very substantially from this measure.

Mr. Speaker, I now have some information for the hon. member for Bow River (Mr. Taylor). I am advised that Foothills has estimated that the Canadian content on the project will be at least 90 per cent.

Some hon. Members: Hear, hear!

Mr. Lalonde: My hon. friend knows that there are provisions in the treaty ensuring that Canada will achieve economic benefits from this, and I am pleased to advise the House, including my hon. friend in the NDP, that to date, particularly in the pipe area, we have achieved figures of 100 per cent Canadian content.

Some hon. Members: Hear, hear!

An hon. Member: Do you want 110 per cent?

Mr. Parker: Mr. Speaker, I want to say to the minister that I have seen these projects, and I have seen the benefits. I am asking explicitly, since there is another TransCanada highway which goes a different direction, what kind of protection is there in this agreement for the communities alongside this highway which could be affected by the construction of this highway? Since there were no hearings, I ask the minister what kind of protection or guarantees these communities can have.

Mr. Lalonde: Mr. Speaker, as to the previous question raised by my hon. friend, I am pleased to advise him that the United States-Canada agreement provides for the drop-off of Alaska gas in Canada to serve remote communities, and its replacement by Alberta gas in the key pipeline farther south, so it will be a matter of deciding at the time, I suppose, whether the residents in my hon. friend's constituency come under this particular aspect. I must have misunderstood the hon. member's question. He talked about a highway. We are not building a highway. We are building a pipeline.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, although many hon. members have questioned supply factors with regard to our natural gas situation and others have questioned the security of the guarantees which are offered, I take it that the minister is giving us an absolute certainty that we have supply, and I take it he has given us an absolute guarantee that the guarantees we are getting are adequate, so I will not question that part of it.

However, it seems to me that what strikes at the hearts and minds of people in areas like Ontario is that even though we have a pipeline coming through Ontario, they do not have access to this gas. What strikes their minds and hearts is whether they will be able to have access to this gas and whether the capacity is there in the pipeline as it exists now, even as it travels through our province and into other areas. They are not so much concerned about whether we build a major pipeline from Montreal to Quebec, or even into the maritimes, but whether in fact we can deliver this gas and, if we do, whether the capacity will be there to serve the homes and industries across Ontario. Can the minister tell us what the flow rates are? Can he tell us whether the opportunity will be there? Can he tell us what price factors will be there? In other words, it is not what we are doing with the pre-build which is concerning many people; it is what we are not doing in other areas which might concern them.

Mr. Lalonde: Mr. Speaker, my friend is quite right in expressing the concern of people in areas not served at the

present time about being served by Canadian natural gas. As the hon. member knows, this government has announced in the last couple of months a policy whereby we would want to reduce to 10 per cent the dependence on oil in the residential and commercial sectors. This would mean a substantial increase in the amount of gas and electricity used for residential, commercial and manufacturing purposes over the next decade. This would mean a substantial enlargement of accessibility to Canadian gas. In particular this will mean the construction of a gas pipeline in Quebec, and a trunk line in the maritimes also which will either bring gas from the maritimes west or western gas to the maritimes.

With regard to the particular point raised by my hon. friend, this is an area in which we are working with the provinces to get full endorsement and full support for our 10 per cent oil dependence in the commercial and residential sectors. That is our off-oil policy, and I am pleased to report that I have had, up to now, complete support from every provincial government I have talked to in this regard.

With regard to serving individual communities, if I am not mistaken this is a matter which comes under provincial boards, and this is why it is important to work closely with the provincial governments. Our responsibility is to make sure that the trunk lines are there and that the gas is there. I have inquired of National Energy Board officials this afternoon with regard to the very question raised by my hon. friend, and I am assured that we have supplies—foreseen supplies—which are not only adequate to meet fully the future needs of the Quebec and maritimes gas pipeline, but we also have ample supplies—and we expect to have ample supplies—to fulfil the needs of our off-oil policy and make sure that Canadians can have access to natural gas.

As far as individual residences and individual communities are concerned, this, I believe, is a matter which comes under provincial regulation.

Mr. Gurbin: Mr. Speaker, the question really pertains to price and the price that these communities and so forth might expect. I think that would have some direct relationship to how the federal government looks at the whole pricing situation for natural gas. Can the minister comment on that and on how this might be an opportunity for people who are not serviced now?

Mr. Lalonde: Mr. Speaker, we have had in operation a program for the pricing of natural gas, as my hon. friend knows. Gas is now priced at about 85 per cent of oil Btu equivalent. I do know what the new arrangement will be under the current discussions. But again my friend knows, I believe, that in each province the provincial regulatory authorities also have a role to play in terms of the pricing of gas.

• (2310)

I have been told, for instance, that in Ontario the provincial board has a policy which has a tendency to favour the residential consumer rather than the large users. They have a tendency to distribute the cost in a way which would tend to favour individual residential consumers of gas. I am not in a position to confirm or deny this, but this is a piece of information that I have obtained. If my friend wishes to refer to specific communities, he would have to refer to the situation in that particular province and obtain information from the provincial board.

Mr. Gurbin: The price of the natural gas as it goes into the pipeline is, I think, under federal jurisdiction. Can the minister comment on whether he expects it would be maintained at 85 per cent of the Btu equivalent, or whether he is looking at something different from that, or what is happening?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I answered that question a while ago when I said that at present the arrangement is that it is set at 85 per cent of oil Btu equivalent. We are now discussing with the producing provinces more especially with Alberta. We are considering different possibilities, but I am not yet in a position to indicate to the hon. member if the future policy will be exactly the same or different from the present one in the sense that there will perhaps be measures, various prices according to the circumstances. I am afraid we will have to wait a few weeks until our discussions are concluded.

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I wonder if the hon. minister can tell the House whether, in his opinion, this decision concerning the Alaska pipeline construction will have an impact on the construction or the extension of the pipeline between Quebec and Montreal as concerns either the availability of materials, the question of financing or other construction delays. Could this affect or delay construction or could it even have favourable effects?

Mr. Lalonde: Mr. Speaker, I am happy to inform my colleague, the hon. member for Beauharnois-Salaberry (Mr. Laniel) that we do not believe that tonight's decision will have any unfavourable effect on the construction of the Quebec pipeline. On the contrary, the action we are taking will have the effect of phasing the construction of the Alaska pipeline over several years beginning immediately, and this will enable the steel companies and the pipeline material suppliers to schedule the production of steel and other products required for the pipeline operation over several years and prevent production hold-ups, which in general considerably increase the costs and sometimes even cause product shortages and can prevent the construction or the completion of other projects.

As for the construction of the Quebec pipeline, I have been informed recently that the Quebec government has asked

TransCanada PipeLines, which is not the same company as the one building the Alberta pipeline, once again to change the proposed route for the pipeline in Quebec. I must say that this decision worries me and that I am afraid it might substantially delay the construction of the Quebec pipeline. I hope that I am wrong.

I also hope that the decision made by the Quebec government as concerns TransCanada PipeLines can be implemented very quickly, as we have already lost several very precious months because of the way the Quebec government has postponed essential decisions, and if this new decision delays even more the building of the pipeline, Quebeckers will be the ones to suffer. First of all, they will have to pay more for heating oil. They will be prevented form burning Canadian natural gas instead of oil and Quebec consumers are the ones who are and will be suffering from the way the Quebec government is delaying, exaggeratedly in my opinion, its decision in this matter.

[*English*]

Mr. Albert Cooper (Peace River): Mr. Speaker, I would just like to ask the minister a couple of questions. First, can he tell me what percentage of the natural gas that was approved for export to the United States in 1978 and 1979 was actually exported?

Mr. Lalonde: The hon. member raises a very good question in the sense that at present the level of exports to the United States is well below the authorized level, so that when the hon. member talks about a large amount being exported he has to remember that these are authorized levels, they are not necessarily actual levels. I believe that at present, for instance in British Columbia, the percentage of exports is as low as 35 per cent of the authorized level. I might be wrong by a few percentage points, but it is in that area. So far as Alberta is concerned or so far as the average production is concerned, I think it is slightly above 50 per cent. I will inquire and give my friend the exact figure.

Mr. Nielsen: Fifty-eight per cent.

Mr. Lalonde: My knowledgeable friend from the Yukon says it is 58 per cent. In spite of his great expertise, I think I will inquire from my officials.

Mr. Cooper: Can the minister tell me if any of the reasons for this gas not being exported have to do with the price of the natural gas?

Mr. Lalonde: It is a combination of several factors. As the hon. member knows, we had an extremely mild winter last year which resulted in a level of consumption, both in Canada and in the United States, that was much lower than had been the case before.

Second, the United States has experienced a rather deep recession in the last year and a half, which is still continuing and which has resulted also in a lowering in the consumption of petroleum products generally, including natural gas.

Alaska Gas Pipeline

Third, there is obviously a particular problem in certain sections of the U.S., particularly the northwestern states where there is an oversupply of residual fuels being used for commercial and industrial purposes as a substitution for Canadian gas in particular. In effect, our gas at present sells for about $4.47 at the border. I am told that it is possible, in view of the situation with residual oil, to get the equivalent perhaps for about $4.07 or $4.10. So there is an advantage which we believe is temporary in favour of residual fuel in the northwest states of the United States. We are confident that this is a passing phenomenon and that with the increase in the cost of oil on the international market, and the expected resumption of activity in the U.S. economy, the demand for Canadian gas will soon pick up, particularly with an increase in the price of residual fuels.

Mr. Cooper: In light of the minister's answer, I wonder if he could tell me if, in the discussions with his colleagues today, there was mention of a possibility of a tax on the export of natural gas.

• (2320)

Mr. Lalonde: I apologize to the hon. member, but the hon. member for Yukon (Mr. Nielsen) was in a great conversation with me and I did not hear his question. Would he ask his question again?

Mr. Cooper: Can the minister tell me if his colleagues discussed today the possibility of an export tax on natural gas?

Mr. Lalonde: Mr. Speaker, I have always followed the policy of not only not revealing discussions in cabinet, but refusing to confirm or deny whether any question was discussed in cabinet. So I am afraid my hon. friend will have to look elsewhere for an answer.

To come back to his first question concerning the exact percentage of exports of natural gas, I do not have the exact figure tonight. I am told the average current level would be about 60 per cent. I am sorry I do not have exactly the same figure as the hon. member for Yukon.

Mr. Nielsen: I was closer than you.

Mr. Lalonde: Maybe he was right; we will see.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, there has been a great deal of discussion about the economic impact on the western part of Canada. I should like to elicit from the minister what type of impact we will see in the Atlantic area. At the same time, may I inquire as to the status of the much talked about and proposed MEB, the Maritime Energy Board, as well as to the status and attitude of the various provinces within Atlantic Canada, particularly the province in which my constituency resides, New Brunswick. What is the attitude of Premier Hatfield, and the over-all economic impact of the minister's announcement?

Mr. Lalonde: Mr. Speaker, my information is to the effect that Atlantic Canada would benefit from this particular

announcement, roughly to the extent of $10 million. With the construction of the whole line, it is estimated that an additional $200 million will go to Atlantic Canada, for a total of about $210 million for the line which will be constructed in Alberta, British Columbia and the Yukon. Certainly, that is not a negligible sum. As far as the second part of the question is concerned, I believe the hon. member was asking about the maritime pipeline.

Mr. Harquail: The Maritime Energy Board.

Mr. Lalonde: The Maritime Energy Corporation?

Mr. Harquail: Yes.

Mr. Lalonde: I am afraid I have to report that at the present time this particular corporation is somewhat in limbo. There appear to be very conflicting views among the various maritime governments. I hope we will be able to get the situation back on the rails. In particular, I hope the provincial governments concerned will agree to sit down and work out an arrangement which would be beneficial to the entire maritimes. I am sorry to say that we have been unable to get this corporation going at the present time.

Mr. Harquail: Mr. Speaker, I will be very brief. For the benefit of the House and the residents of New Brunswick, does the minister anticipate, from the information he has to date, any difficulties or problems in terms of the eastern pipeline going from Quebec into New Brunswick and Atlantic Canada?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have already indicated that the construction of a Montreal-Maritimes pipeline was the preferred and privileged option of the government. The National Energy Board has recommended the construction of the pipeline up to Quebec City first of all. We have authorized the implementation of this recommendation of the board, and that will imply the construction of the first phase of the maritime pipeline. Hopefully, the environmental concerns that were raised, the questions regarding the environmental studies and certain reservations expressed in particular by New Brunswick, all this will be quickly settled. The NEB also indicated that it was interested in knowing more about the reserves found off Sable Island. I must add that the government is following the situation very closely and we want to make sure that the pipeline gets under way as quickly as possible. In the meantime, as I have indicated, the decision we have announced tonight and the eventual construction of the Alaska pipeline will represent benefits of almost $200 million for the Atlantic provinces.

Very shortly then when we build the pipeline to Quebec City and obviously also to the maritimes, I am sure that businesses and workers in the Atlantic provinces will derive substantial benefits from this decision, as well as all consumers in the maritimes.

Mr. Watson: Mr. Speaker, could the minister confirm that the pipeline he announced tonight will have the capacity to transport natural gas through the United States to eastern Canada, in case the TransCanada system proves inadequate to meet the requirements of eastern Canada consumers?

Mr. Lalonde: I am advised that the pre-build now under construction could occasionally be used to supplement our requirements. This is a situation which, I hope, will not occur, but should it occur, there will be ways apparently, following certain adjustments and detours, to supplement the needs of Canadians.

Mr. Deputy Speaker: Order. It being 11.25 p.m.—

[*English*]

Mr. Lalonde: Mr. Speaker, I rise on a point of order. I am advised that in answer to the hon. member for Restigouche (Mr. Harquail) I referred to reservations by the government of Nova Scotia. I am sorry; I meant reservations by the government of New Brunswick.

[*Translation*]

Mr. Deputy Speaker: It being 11.28 p.m., the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 2(1).

APPENDIX "A"

BILATERAL

1. Trade Agreement between the Government of Canada and the Government of the Socialist Federal Republic of Yugoslavia

   Belgrade, October 24, 1973
   In force May 17, 1977
   CTS 1977/18

2. Cultural Agreement between the Government of Canada and the Government of Mexico

   Mexico, January 25, 1976
   In force provisionally January 25, 1976
   In force definitively February 9, 1977
   CTS 1977/9

3. Convention between Canada and the Islamic Republic of Pakistan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

   Ottawa, February 24, 1976
   In force December 15, 1977
   CTS 1977/5

4. Convention between the Government of Canada and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

   Singapore, March 6, 1976
   In force September 23, 1977
   CTS 1977/3

5. Convention between Canada and the Philippines for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

   Manila, March 11, 1976
   In force December 21, 1977
   CTS 1977/6

6. Air Transport Agreement between the Government of Canada and the Government of the Polish People's Republic

   Ottawa, May 14, 1976
   In force provisionally May 14, 1976
   In force definitively October 28, 1977
   CTS 1977/31

7. Convention between Canada and the Dominican Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital

   Ottawa, August 6, 1976
   In force September 23, 1977
   CTS 1977/4

8. Convention between Canada and Switzerland for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital

   Berne, August 20, 1976
   In force August 19, 1977
   CTS 1977/2

9. Agreement between the Government of Canada and the Government of the United States of America concerning Transit Pipelines

   Washington, January 28, 1977
   In force October 1, 1977
   CTS 1977/29

10. Exchange of Notes between the Government of Canada and the Government of the United States of America concerning reconstruction of Canadian portions of the Alaska highway

    Ottawa, January 11 and February 11, 1977
    In force February 11, 1977
    CTS 1977/7

11. Treaty between Canada and the United States of America on the execution of Penal Sentences

    Washington, March 2, 1977
    In force July 19, 1978

12. Exchange of Notes between the Government of Canada and the Government of the United States of America constituting an Agreement to provide for the establishment of an experimental Loran-C power chain in the vicinity of the St. Mary's River in Ontario and Michigan

    Washington, March 29, 1977
    In force March 29, 1977 with effect
    from August 1, 1975
    CTS 1977/14

13. Development Loan Agreement between the Government of Canada and the Government of Honduras

    Tegucigalpa, March 31, 1977
    In force March 31, 1977

14. Long Term Grain Agreement between Canada and Poland

    Ottawa, April 19, 1977
    In force April 19, 1977
    with effect from January 1, 1977
    CTS 1977/16

15. Agreement, dated April 22, 1977 between the Government of Canada (hereinafter referred to as "The Government") and the international Development Association (hereinafter referred to as "The Association") to provide for the administration by the Association of certain funds to be made available by the Government for Specific Development Projects

    Washington, April 22, 1977
    In force April 22, 1977
    CTS 1977/13

16. Agreement between the Government of Canada and the Government of Trinidad and Tobago relative to the Canada Pension Plan

    Ottawa, April 26, 1977
    In force April 26, 1977
    with effect from January 1, 1974

17. Agreement between the Government of Canada and the Government of the Republic of Cuba on Mutual Fisheries Relations

    City of Havana, May 12, 1977
    In force May 12, 1977
    CTS 1977/17

18. Agreement between the Government of Canada and the Government of Finland for Air Services between and beyond their respective territories

    Ottawa, May 16, 1977
    In force provisionally May 16, 1977
    In force definitively November 7, 1977
    CTS 1977/32

19. Exchange of Notes constituting an Agreement between the Government of Canada and the Government of Antigua relating to Canadian Investments in Antigua insured by the Government of Canada through its agent, the Export Development Corporation

    Bridgetown, Barbados and
    St. John's, Antigua, June 8, 1977
    In force June 8, 1977
    CTS 1977/19

20. Development Loan Agreement between the Government of Canada and the Government of Honduras

    Tegucigalpa, June 14, 1977
    In force June 14, 1977
    CTS 1977/40

21. Development Assistance Agreement between the Government of Canada and the Government of the Republic of Afghanistan

    Kabul, July 5, 1977
    In force July 5, 1977

22. Exchange of Notes between the Government of Canada and the Government of the United States of America to further extend the Agreement concerning Joint Participation in the Augmentor Wing Flight Test Project of November 10, 1970

    Ottawa, May 31 and July 18, 1977
    In force July 18, 1977
    CTS 1977/22

23. Exchange of Notes constituting an Agreement between the Government of Canada and the Government of the State of St. Christopher-Nevis-Anguilla relating to Canadian Investment in St. Christopher-Nevis-Anguilla insured by the Government of Canada through its agent, the Export Development Corporation

    Bridgetown, Barbados and Basseterre,
    St. Christopher, August 19 and 20, 1977
    In force August 20, 1977

24. Exchange of Notes between the Government of Canada and the Government of the United States of America constituting an Agreement concerning the establishment of a Joint Marine Pollution Contingency Plan

    Ottawa, July 28 and August 30, 1977
    In force August 30, 1977
    CTS 1977/25

25. Agreement between Canada and the United States of America on Principles Applicable to a Northern Gas Pipeline

    Ottawa, September 20, 1977
    In force September 20, 1977
    CTS 1977/26

26. Agreement between the Government of Canada and the United Nations concerning the Headquarters and Operations of the United Nations Audio-Visual Information Centre on Human Settlements

    New York, September 27, 1977
    In force September 27, 1977
    CTS 1977/27

27. Agreement between the Government of Canada and the Government of the People's Republic of Bulgaria on Mutual Fisheries Relations

    New York, September 27, 1977
    In force September 27, 1977
    CTS 1977/28

28. Agreement between the Government of Canada and the Government of the German Democratic Republic on Mutual Fisheries Relations

    Berlin, October 6, 1977
    In force October 6, 1977
    CTS 1977/30

29. Agreement between the Government of Canada and the Government of the Socialist Republic of Romania for Cooperation in the Development and Application of Atomic Energy for Peaceful Purposes

    Ottawa, October 24, 1977
    In force June 14, 1978

30. General Agreement for Development Co-operation between the Government of Canada and the Government of the Republic of Zaire

    Kinshasa, November 11, 1977
    In force November 11, 1977
    CTS 1977/34

31. Exchange of Notes between the Government of Canada and the Government of the United States of America relating to the Agreement for Co-operation concerning the Civil Uses of Atomic Energy signed on June 15, 1955, as amended

    Ottawa, November 15, 1977
    In force November 15, 1977
    CTS 1977/35

32. General Agreement between the Government of Canada and the Government of Bolivia concerning Development Co-operation

    La Paz, December 29, 1977
    In force December 29, 1977

33. Exchange of Letters between the Government of Canada and the European Atomic Energy Agency (EURATOM) to amend the Agreement between the Government of Canada and the European Atomic Energy Community for Co-operation in the Peaceful Uses of Atomic Energy of October 6, 1959, particularly insofar as it relates to Safeguards (with additional Exchanges of Letters)

    Brussels, January 16, 1978
    In force January 16, 1978

34. Agreement between the Government of Canada and the Government of the Socialist Republic of Romania on Mutual Fisheries Relations

    Bucharest, January 17, 1978
    In force January 17, 1978

35. Technical Assistance Agreement on Military Training between the Government of Canada and the Government of the Republic of Ghana

    Accra, February 14, 1978
    In force February 14, 1978
    With effect from June 1, 1976

36. Development Loan Agreement between the Government of Canada and the Government of the Republic of El Salvador

    San Salvador, February 15, 1978
    In force February 15, 1978

37. Exchange of Notes between the Government of Canada and the Government of Japan concerning the establishment of a Temporary Satellite Support Facility at Churchill Research Range

    Ottawa, February 16, 1978
    In force February 16, 1978

38. Agreement dated March 8, 1978, between the Government of Canada (hereinafter referred to as "The Government") and the International Development Association (hereinafter referred to as "The Association") amending the Agreement dated April 22, 1977, between the same Parties, to provide for the administration by the Association of certain funds to be made available by the Government for specific development projects

    Washington, March 8, 1978
    In force March 8, 1978
    With effect from April 22, 1977

39. Exchange of Notes between the Government of Canada and the Government of the United States of America, together with the Annexed Memorandum of Agreement, providing for a Revised Schedule of Tolls to be levied for the use of the Navigational Facilities of the St. Lawrence Seaway

    Washington, March 20, 1978
    In force March 20, 1978

40. Exchange of Notes between the Government of Canada and the Government of the United States of America (with attached Memorandum of Understanding) concerning co-operation in the development of Space Remote Sensing for Global Crop Information

    Washington, March 31 and April 10, 1978
    In force April 10, 1978

41. Parcel Post Agreement between Canada and Japan

    Tokyo, April 11, 1978
    In force October 1, 1978

42. Agreement on Fisheries between the Government of Canada and the Government of Japan

    Tokyo, April 28, 1978
    In force April 28, 1978

43. Agreement between the Government of Canada and the Government of the Federal Republic of Germany on Film Relations

    Ottawa, May 30, 1978
    In force August 16, 1978

44. Exchange of Notes between the Government of Canada and the Government of the United States of America concerning commercial development of an area of the United States Naval Station, Argentina, Newfoundland

    Ottawa, June 6, 1978
    In force June 6, 1978

45. Exchange of Notes between the Government of Canada and the Government of the United States of America amending the Agreement on Principles applicable to a Northern Natural Gas Pipeline signed at Ottawa on September 20, 1977

    Washington, June 6, 1978
    In force June 6, 1978

46. Exchange of Notes constituting an Agreement between the Government of Canada and the Government of the Independent State of Western Samoa relating to Canadian Investments in Western Samoa insured by the Government of Canada through its agent, the Export Development Corporation

New York, September 29, 1978
In force September 29, 1978

MULTILATERAL

1. Convention on the Reduction of Statelessness

Done at New York, August 30, 1961
Entered into force December 13, 1975
Canada's Instrument of Accession deposited July 17, 1978
Entered into force for Canada October 15, 1978

2. Convention on the means of prohibiting and preventing the illicit Import, Export and Transfer of Ownership of Cultural Property

Done at Paris, November 14, 1970
Canada's Instrument of Acceptance deposited March 28, 1978
Entered into force for Canada June 28, 1978

3. Convention on the International Regulations for Preventing Collisions at Sea, 1972

Done at London, October 20, 1972
Canada's Instrument of Accession deposited March 7, 1975, accompanied by the following declaration:

"1. The Government of Canada considers that the provisions of Rule 10, 'Traffic Separation Schemes', do not provide the compulsory use of the adopted schemes. The Government of Canada considers that the compulsory routing of ships is necessary to avoid collisions between ships and the resulting damage to the marine environment.

2. The Government of Canada notes that there are no exceptions to Rule 10(b), (c), and (h) for vessels engaged in fishing with nets, lines, trawls, trolling lines or other apparatus, or for vessels engaged in special operations such as survey, cable, buoy, pipeline or salvage operations, and that the exceptions in Rule 10(e) are not broad enough to adequately provide for vessels engaged in special operations. The Government of Canada considers that the practical application of Rule 10 would be complicated without realistic exceptions for fishing vessels and for vessels engaged in special operations.

3. The Government of Canada therefore does not consider that it is prohibited from providing for the compulsory use of traffic separation schemes or providing for such exceptions to Rule 10(b), (c), (e) and (h)."

Entered into force July 15, 1977
Entered into force for Canada July 15, 1977

4. Convention providing a Uniform Law on the Form of an International Will

Done at Washington, October 26, 1973
Canada's Instrument of Accession deposited January 24, 1977, with the following declaration—

"the Government of Canada accedes to the Convention providing a Uniform Law on the Form of an International Will, done at Washington, D.C., on October 26, 1973, subject to the following declaration:

1. The Government of Canada declares that pursuant to Article XIV of the Convention, the Convention shall extend only to the provinces of Manitoba and Newfoundland.

2. The Government of Canada further declares that it will submit, at any time after accession, other declarations, in conformity with Article XIV of the Convention, stating expressly the additional provinces to which the Convention shall extend, when such provinces have enacted the necessary implementing legislation".

In force February 9, 1978

5. Statutes of the International Centre for Registration of Serial Publications

Done at Paris, November 14, 1974
Entered into force January 21, 1976
Canada's Instrument of Accession deposited March 28, 1978

6. Agreement establishing the International Fund for Agricultural Development

Done at New York, December 20, 1976
Signed By Canada, February 10, 1977
Canada's Instrument of Ratification deposited November 28, 1977
In force November 30, 1977

7. Agreement between the Government of Canada, the Government of Spain and the International Atomic Energy Agency for the application of safeguards

Signed at Vienna, February 10, 1977
In force February 10, 1977
CTS 1977/8

8. Protocol suspending the application of Safeguards under the Agreement between the International Atomic Energy Agency, the Government of Canada, and the Government of Japan for the application of Agency Safeguards in respect of the Bilateral Agreement between those Governments for co-operation in the Peaceful Uses of Atomic Energy

   Done at Vienna, December 2, 1977
   Entered into force December 2, 1977
   CTS 1977/37

9. 1978 Protocols for the Fourth Extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1971

   Done at Washington, April 26, 1978
   Signed by Canada May 17, 1978
   Canada's Instrument of Ratification
   deposited May 31, 1978
   In force June 24, 1978 and July 1, 1978

APPENDIX "B"

DECLARATION OF SOLIDARITY OF CANADIAN WOMEN PARLIAMENTARIANS TO RECOGNIZE EQUAL RIGHTS FOR INDIAN WOMEN

WHEREAS the situation of Indian women is so deplorable and because they are so blatantly discriminated against under the INDIAN ACT we, the federal women Members of Parliament of all three political parties, have joined together, and with Indian women, to request that Parliament urge to finalize immediately the negotiations with all Indian organizations and with the Indian Bands throughout Canada to amend the INDIAN ACT to grant Indian women and their children their full status and rights in Canada.

WHEREAS this is the first time in history that women Members of Parliament of all political parties have taken a united stand on an issue that affects all women, indeed all Canadians.

WHEREAS Canada leads most other countries in human rights and in its treatment of minorities, and provisions of article 12(1)(*b*) of the INDIAN ACT are detrimental to our image all over the world:

1. We, all women parliamentarians therefore request that the Parliament of Canada apply a moratorium on the application of article 12(1)(*b*) as it affects Indian women and their children with the approval of the Indian Bands until the Act is revised.
2. All women in Parliament, regardless of their party, are committee to redress this discriminatory situation and are urging both Parliament and the Indian Bands to treat their sisters as equals and be ready to amend the Indian Act next fall.

Liberal Members	Conservative	NDP
The Hon. Monique Bégin	The Hon. Flora MacDonald	Miss Pauline Jewett
The Hon. Judy Erola	Miss Pat Carney	Mrs. Margaret Ann Mitchell
Mrs. Ursula Appolloni		
Mrs. Suzanne Beauchamp-Niquet		
Miss Coline Campbell		
Mrs. Eva Côté		
Mrs. Céline Hervieux-Payette		
Mrs. Thérèse Killens		
Miss Aideen Nicholson		

SENATORS

Hon. Jean Margaret Anderson
Hon. Ann Elizabeth Bell
Hon. Florance Bayard Bird
Hon. Elsie Florence Inman
Hon. Renaude Lapointe
Hon. Joan Neiman
Hon. Margaret F. Norrie
Hon. Yvette Rousseau
Hon. Dalia Wood
Hon. Martha Bielish.

ANNEX

RE: Office Consolidation *INDIAN ACT* R.S., c. I-6, c. 10 (2nd Supp.) 1974-75-76, c. 48, 1978

APPLICATION OF ACT

Application of Act

4. (1) A reference in this Act to an Indian does not include any person of the race of aborigines commonly referred to as Eskimos.

Act may be declared inapplicable

(2) The Governor in Council may by proclamation declare that this Act or any portion thereof, except sections 37 to 41, shall not apply to

(*a*) any Indians or any group or band of Indians, or

(*b*) any reserve or any surrendered lands or any part thereof,

and may by proclamation revoke any such declaration.

Certains sections inapplicable to Indians living off reserves

(3) Sections 114 to 123 and, unless the Minister otherwise orders, sections 42 to 52 do not apply to or in respect of any Indian who does not ordinarily reside on a reserve or on lands belonging to Her Majesty in right of Canada or a province, R.S., c. 149, s. 4; 1956, c. 40, s. 1.

Persons not entitled to be registered

12. (1) The following persons are not entitled to be registered, namely,

(*a*) a person who

(i) has received or has been allotted halfbreed lands or money scrip,

(ii) is a descendant of a person described in subparagraph (i),

(iii) is enfranchised, or

(iv) is a person born of a marriage entered into after the 4th day of September 1951 and has attained the age of twenty-one years, whose mother and whose father's mother are not persons described in paragraph 11(1)(*a*), (*b*) or (*d*) or entitled to be registered by virtue of paragraph 11(1)(*e*),

unless, being a woman, that person is the wife or widow of a person described in section 11, and

(*b*) a woman who married a person who is not an Indian, unless that woman is subsequently

the wife or widow of a person described in section 11.

Protest re illegitimate child

(2) The addition to a Band List of the name of an illegitimate child described in paragraph 11(1)(*e*) may be protested at any time within twelve months after the addition, and if upon the protest it is decided that the father of the child was not an Indian, the child is not entitled to be registered under that paragraph.

Certificate

(3) The Minister may issue to any Indian to whom this Act ceases to apply, a certficate to that effect.

Exception

(4) Subparagraphs (1)(*a*)(i) and (ii) do not apply to a person who

(*a*) pursuant to this Act is registered as an Indian on the 13th day of August 1958, or

(*b*) is a descendant of a person described in paragraph (*a*) of this subsection.

Idem

(5) Subsection (2) applies only to persons born after the 13th day of August 1956. R.S., c. 149, s. 12; 1956, c. 40, ss. 3, 4; 1958, c. 19, s. 1. cvc

HOUSE OF COMMONS

Friday, July 18, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

CANADIAN WHEAT BOARD

GRAIN—REQUEST FOR INCREASE IN INITIAL PRICE—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise to move a motion of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the fact that foreign feed grains are entering the prairie region, and that many farm experts believe supplies of wheat and feed grains are entering the system due to low prices, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That this House direct the minister to instruct immediately the Canadian Wheat Board to raise initial prices to bring on stocks in this and next year's crop year to meet our domestic and export needs.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ARCTIC CENTENARY

CONGRATULATIONS TO PEOPLE OF NORTHERN CANADA—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. This year, 1980, is the centenary of the transfer of the Arctic Islands to Canada by Great Britain.

As the member of Parliament whose riding includes Charlottetown, Prince Edward Island, the birthplace of Confederation, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House congratulate the people of the Arctic on their centenary and affirm its commitment to the Canadian north as a vital part of our country's territory.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

HOUSE OF COMMONS

EXPRESSION OF THANKS TO PAGES FOR OUTSTANDING SERVICE TO MEMBERS—MOTION UNDER S.O. 43

Mr. Bill Kempling (Burlington): Madam Speaker, I rise to move a motion under Standing Order 43 for which I ask the unanimous consent of this House.

Inasmuch as it appears that this House may rise today, and noting that the parliamentary pages will be leaving the House of Commons in September after a year of service in this chamber, I move, seconded by the hon. member for London East (Mr. Turner):

That this House thank the pages for their outstanding service to the members; that it is our hope that some of them will return at a future date as members of Parliament; that they all receive copies of *Hansard* for the balance of this session of Parliament; and that a copy of today's *Hansard*, autographed by Madam Speaker, the right hon. Prime Minister, the right hon. Leader of Her Majesty's Loyal Opposition, and the Leader of the New Democratic Party, be presented to each page.

Some hon. Members: Hear, hear!

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

INDUSTRY

CANADA-U.S. AUTO PACT—LOSS OF JOBS IN CANADA—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the Canadian auto industry has, on the government's own admission, received less than its fair share under the existing U.S.-Canada auto pact in new technology, design, small cars and investment generally, and whereas this unfairness has caused the loss of tens of thousands of jobs, I move, seconded by the hon. member for Skeena (Mr. Fulton):

S.O. 43

That this government stands condemned, among other things, for its abject failure to know when to lose them, when to choose them, when to walk away and when to run, and in particular for its unilateral, unconditional sell-out of our natural resources without regard to Canada's bargaining position in, among many other vital areas, the North American auto industry.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

ENERGY

GASIFICATION OF COAL—STUDY BY NATIONAL ENERGY BOARD—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, as natural gas is now being marketed for export at prices exceeding $5 per million Btu of energy, a price at which coal gasification is economically possible, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger), a motion under Standing Order 43 as follows:

That the government refer to the National Energy Board a request from this House for study and consideration of the possible inclusion of the selective gasification of Canada's vast coal reserves as back-up to our enormous natural gas reserves.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

FIGHT AGAINST INFLATION—EXCISE TAX ON CANADIAN WINES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing importance.

Given the announcement this morning that double-digit inflation has hit the consumers of Canada for the first time since a former Liberal government imposed wage and price controls in 1975, after saying they could never do so, given that a substantial portion of this increase flows directly from the excise taxes introduced by the present Minister of Finance on April 21 last, and given the fact that much of this stems from the imposition of the excise tax on Canadian wines, I move, seconded by the hon. member for Erie (Mr. Fretz):

That this government begin its fight against inflation by removing the excise tax imposed on Canadian wines as contained within the mini-budget of the Minister of Finance introduced last April 21.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ENVIRONMENT

ACID RAIN POLLUTION—CANADA-U.S. AGREEMENTS—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the United States is responsible for the majority portion of acid rain which affects Canada, and is currently planning a massive expansion of coal-based facilities without adequate pollution control equipment, and in view of the American refusal to enter into meaningful negotiations or agreements with Canada on this crucial health, environment and economic question, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House record its disgust with the Prime Minister and his supine cabinet for their continuing and ongoing sell-out of Canada to the United States on every major issue, including acid rain; and, further, that this House records the shame of a Liberal policy which promotes the sale of clean, non-polluting Canadian energy to the U.S. when they are daily responding with an attitude and policies that pollute and destroy the Canadian environment and health.

Madam Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

REQUEST FOR RELIEF FOR PEOPLE OF NORTHERN CANADA—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my motion is also under Standing Order 43 and it ties in with the motion presented by the hon. member for Hillsborough (Mr. McMillan).

Having regard to the fact that the government has given recognition to the severe financial hardships which are suffered by people who live in northern and isolated areas of our country, and is therefore maintaining a very elaborate system through which employees of the federal government are compensated through northern living and isolation allowances, and having regard to the fact that the government has recently made the necessary changes to the Income Tax Act to provide for these allowances to be earned free of taxes, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the Minister of Finance give serious consideration, in the course of preparing himself for a budget, to the establishment of a more permanent and universal system which would afford all taxpayers who live remote from the mainstream of life in Canada, which flows in a narrow corridor along the U.S. border, treatment under the Income Tax Act which would be to a degree more equitable and fair and in accordance with their ability to pay.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NORTHWEST TERRITORIES—REQUEST FOR TAX-FREE STUDENT GRANTS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a motion under the provisions of Standing Order 43. While thanking the Minister of National Revenue—I am pleased he is here to accept my congratulations—for his recent efforts concerning the taxation of northern benefits, it is necessary to point out that within the last few days Revenue Canada officials have insisted that certain NWT government grants to students attending university in the south, which previously were not taxed, are now to be taxed.

• (1115)

In view of the evident unfairness of a system which does not tax vacation travel allowances, but taxes allowances for travel to educational institutions, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That NWT student grants be included as tax exempt items under the isolated posts' benefits and allowances remission order.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASE IN CPI—CALL FOR BUDGET OR ECONOMIC STATEMENT—INCOME TAX INDEXING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Prime Minister. It relates to today's consumer price figures, which show a 1.1 per cent increase from last year and show, most alarmingly, a year-over-year inflation rate that is over 10 per cent for the first time since November, 1975.

The government has indicated already that it will not bring down a budget. The House may well adjourn some time this weekend. I would ask the Prime Minister, even if his government will not bring down a budget, will he give us a commitment now to having published or made by the Minister of Finance or himself a clear and detailed economic statement which will spell out the economic policies this government intends to follow? Could we have an undertaking to have that before the end of the summer?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will be glad to discuss the suggestion of the right hon. Leader of the Opposition with the Minister of Finance.

Miss MacDonald: If you can find him.

Mr. Clark: Madam Speaker, I would have preferred a firmer commitment from the head of the government on a question of policy which obviously is so important to a nation now facing ravaging rates of inflation. But let me ask the Prime Minister another question relating to the benefit his government expects to take from inflation and relating to the proposal to end indexing elaborated on by the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance in a speech the other day in Toronto.

Recognizing that inflation is back to double-digits and that the Government of Canada could reap windfall profits from an inflation that is damaging the lives and hopes of Canadians if they end indexing, will the Prime Minister, as this House prepares to rise, finally give us a commitment that the Government of Canada will not profiteer on inflation and will abandon immediately its proposal to end indexing?

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, that is a direct return to the question we have answered many times.

Mr. Stevens: Not well, though.

Mr. Trudeau: Until the budget is brought down we are not prepared to reject any way of fulfilling our duty in that budget, and that includes looking at all forms of taxation.

Mr. Clark: Madam Speaker, what the Prime Minister is suggesting to the House and the people of Canada today is that the government, which forced an election by defeating a budget that was the first attempt in recent years, in recent memory, to deal directly with major economic problems, intended not only to take no action in the first months the House sat, but intends to forecast no action and to create uncertainty among investors, individuals and, particularly, low income Canadians who may well be drastically affected by any proposal to end indexing.

May I ask the Prime Minister to stop dodging and face up to his responsibility as the leader of a government which must send clear economic signals to the rest of the community, and give us a commitment that we will have answers immediately—this summer, before the end of August—on the policy of indexing; that we will have answers on the economic direction of the government; that we will have answers on the priority

the Government of Canada gives to dealing with inflation, and the means—

Some hon. Members: Order.

Mr. Clark: —by which it intends to bring Canada's double-digit inflation down?

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, on the evil of double-digit inflation, which we both regret, I can only remind the hon. Leader of the Opposition that his own budget last December predicted double-digit inflation for this year.

Some hon. Members: Hear, hear!

• (1120)

Mr. Trudeau: When he says that is the budget we combated, indeed we were against the budget which was not only predicting 10 per cent inflation—which we have reached—but was predicting 10 per cent inflation and announcing an 18-cent excise tax on all Canadians for all fuel they consumed.

Some hon. Members: Oh, oh!

Mr. Clark: No.

Mr. Baker (Nepean-Carleton): False.

Mr. Hnatyshyn: Get something right.

Mr. Trudeau: It was 18 cents on a gallon of gasoline, Madam Speaker.

Miss MacDonald: Not like Lalonde.

Mr. Trudeau: It was the equivalent on the farmer, the fisherman and all those who consume diesel oil. We have exactly the inflation that the opposition budgeted for; but, as a difference, we are not socking it to the consumer on fuel.

Some hon. Members: Oh, oh!

Mr. Trudeau: As a second important difference, since the Leader of the Opposition asked for our priorities, we have had this House adopt a $35 a month increase for the people who need it most, and that is in line with our commitment.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the fundamental difference was that our budget did not simply project rates of inflation: our budget proposed measures to bring those rates down.

When is this government of economic drift and economic carelessness going to indicate and spell out a policy that will bring inflation down in Canada?

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, let us get the facts straight. The opposition party, when it formed the government, predicted 10 per cent, double-digit inflation for this year, and that is what we have. As to what we will do to bring it down in the years to come, I have just indicated in my answer that, first of all, we have ensured relief for those who needed it most—the aged; second, before the end of this year the Leader of the Opposition and this House will have a budget by this government which will do better to bring inflation down than his budget.

Some hon. Members: Hear, hear!

REQUEST FOR COMMITMENT WAGE AND PRICE CONTROLS WILL NOT BE INTRODUCED

Hon. John C. Crosbie (St. John's West): Madam Speaker, the Prime Minister forgets, of course, that the inflation rate does not take into account the oil price increases that are coming in Canada this year, while our forecast did.

The last time the Prime Minister was in power and inflation exceeded 10 per cent, he threw up his hands and introduced wage and price controls as his solution. We had them for three years. Now we are back at a rate of over 10 per cent inflation. Will the Prime Minister give this House an ironclad guarantee—

Some hon. Members: Oh, oh!

Mr. Crosbie: —that he is not going to throw up his hands in defeat and bring in wage and price controls? Will he give us an ironclad guarantee, like his old friend here, "iron pants", the Minister of Energy, Mines and Resources—

An hon. Member: Better iron pants than mukluks.

Mr. Crosbie: —that he is not going to bring in wage and price controls, which proved to be so ineffective the last time he did so?

Right Hon. P. E. Trudeau (Prime Minister): It is not quite fair to say that we just threw up our hands and did nothing and brought in wage and price controls. I remind the honourable blockhead from St. John's West—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: —that in the summer of 1974 the ten premiers met together and, seeing that they were unable to control inflation at the provincial level—something which constitutionally they have the power to do—they begged the federal government to take some drastic action.

Some hon. Members: Oh, oh!

Mr. Trudeau: Some of the new members do not remember this.

Some hon. Members: Hear, hear!

• (1125)

Mr. Trudeau: We went through a whole year of trying to negotiate guidelines with the various economic decision-makers in the country. We held national conferences, and so on, and we are not able to get voluntary restraint. Following that, during next summer—in August, 1975—the premiers met again and said, "Don't just throw up your hands; do something." So we convened here in Ottawa, in October, and said, "For two years in a row you have been begging us to do something to strangle inflation and—

Some hon. Members: Oh, oh!

An hon. Member: Wrestle it to the ground.

Mr. Trudeau: Yes, wrestle it to the ground first, and then strangle it. We said that under the constitution, prices and wages can be controlled by the federal government only in cases of emergency, by invoking the emergency powers. They said, like the hon. member, "Don't just stand there; go ahead and do it." So we brought in wage and price controls. The provinces have not yet begged us to step into their jurisdiction and impose controls on prices, contracts and wages, all of which are within their jurisdiction.

Mr. Crosbie: Madam Speaker, we will have to get Ripley's "Believe It Or Not", to write the Prime Minister's history. I have been called names by far greater men than the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Collenette: Name them.

Mr. Crosbie: Joey.

Some hon. Members: Oh, oh!

Mr. Crosbie: From a blockhead to a pointyhead, let me ask a supplementary question. The Prime Minister said in January—

Madam Speaker: Order, please.

Mr. Crosbie: The Prime Minister said on January 12 that a Liberal government would reduce the deficit, "but not at the expense of jobs, growth and the attack on inflation". The government has not reduced the deficit; it has gone up by $4 billion. Unemployment is worse, and it is growing. There is no growth in the economy; in fact, there is decline. Inflation is worsening.

When will the Prime Minister deliver on his campaign promises; or will they go the same way as old ironclad's promises went last December 6? When is he going to start to deliver, because everything he said then has been contradicted—

Madam Speaker: Order, please. I think that the hon. member is getting argumentative.

Mr. Trudeau: Madam Speaker, so I could know what standard of abuse is permissible with the hon. member, I would like to know what names he was called by these other people.

Some hon. Members: Hear, hear!

Mr. Dick: "Mr. Honesty."

Mr. Clark: The same names Claude Ryan has called you.

Mr. Trudeau: In so far as the statistics which the hon. member has just pointed out are concerned, I can understand why he is familiar with them because they are the very statistics which he announced in his budget. This is what he was budgeting for. As a difference, we have since then brought down the bank rate very considerably.

Some hon. Members: Oh, oh!

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—GUARANTEES ON FINANCING—EXPORTS TO UNITED STATES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources, who is busy over there studying his notes.

Mr. Nielsen: Old ironclad.

Mr. Broadbent: The government has provided us with many pieces of paper on the question of the pipeline, but instead of ironclad guarantees on financing we have the promise of a 2 per cent feasibility study. Instead of legal contracts with the private interests involved we have a U.S. Congress motion of good intent. Finally, last night we were informed that President Carter had written to the Prime Minister urging us to export Canadian gas to the United States.

Considering that the minister earlier said that an agreement on the whole line had to be "signed, sealed and delivered" in advance, would he now confirm that the only thing which has been "signed, sealed and delivered" is the export of Canadian gas to the United States?

• (1130)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would remind the hon. member, who likes to refer to the 2 per cent figure, that the 2 per cent is $500 million of cash that is committed to be spent. I understand that may not be much for the NDP—

Mr. Broadbent: On a study.

Mr. Lalonde: —but it is a lot of money for any private entrepreneur and for a lot of people in this country and in the United States.

What we have signed, sealed and delivered is a clear commitment by the President of the United States and by the Congress. Both houses of Congress unanimously adopted that they are going to see to it that the Alaska gas pipeline is going to be completed by the end of 1985. These are current commitments.

Mr. Broadbent: Madam Speaker, it is obvious that the minister does not know an awful lot about agreements that have existed in the past, but he does know that what the President has written is an expression of good intent, and nothing more.

Madam Speaker, I should like to go to the Prime Minister with this question, if I could get his attention. The Prime Minister knows that we do not believe the cabinet has authority to change a pipeline that was intended to export American gas to American markets into a pipeline that will export Canadian gas into American markets. We also agree with this point on policy grounds.

Considering the fundamental importance of this $20 billion, plus, energy project to the future of Canada, does the Prime Minister not think that such a major matter requires the government, in advance of any action, to submit a resolution to Parliament for approval, during which time all members in all parties would be able to express their views and their votes on this fundamentally important question?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we have not changed the nature of the pipeline. It was always understood the pipeline would carry some Canadian gas, which it will be doing, so there is no change in the nature of the pipeline.

In so far as debating the question is concerned, I understand the New Democratic Party has been doing that for several days in the House. It did it yesterday, and probably will do it again today, so that is sufficient debate.

Mr. Broadbent: Madam Speaker, the Prime Minister knows that the asking of questions and the receiving of answers is no substitute for debate followed by a vote by the representatives of the people of Canada of all parties.

I should like to ask the Prime Minister, because of the action that we are contemplating, which is very serious indeed in terms of delaying a recess that many members of Parliament, I think, have deserved, if he is telling us that the government will not submit this major decision to Parliament in advance of a recess, with a resolution so that we would have an opportunity to vote on it.

Mr. Trudeau: Madam Speaker, the decision was announced yesterday. There is a day of debate today. But I would be happy to make arrangements through the House leaders that there be a vote at the end of the day. The NDP would be able to express its opinion, if that is what it wants. They can amend the adjournment motion, if they wish, and we will accept an amendment. I am sure the House would give consent—

Some hon. Members: Oh, oh!

Mr. Trudeau: Oh, they do not want that.

Some hon. Members: Hear, hear!

Mr. Broadbent: A motion on the pipeline.

Mr. Trudeau: The hon. Leader of the Opposition wants a debate and he wants a vote.

Some hon. Members: Oh, oh!

Mr. Paproski: The NDP; Broadbent.

Mr. Trudeau: I am sorry. We will accept an amendment on the pipeline and we can have a vote at the end of the day.

An hon. Member: Right on.

Mr. Paproski: Not the Leader of the Opposition; the Leader of the NDP.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED STATES SECRETARY OF COMMERCE, PHILIP M. KLUTZNICK

Madam Speaker: May I draw to the attention of the House the presence in our gallery today of United States Secretary of Commerce, Mr. Philip M. Klutznick.

Some hon. Members: Hear, hear!

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IMMIGRATION

MINISTERIAL PERMIT ISSUED TO CALAMUSA FAMILY—INVESTIGATION BY DEPARTMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is to the Minister of Employment and Immigration and again pertains to the matter of the ministerial permit issued to the Calamusa family.

Will the minister please confirm that the investigation conducted by his regional office in this case was one of the most extraordinarily extensive and thorough investigations undertaken by that regional office? Will he also please confirm that allowing Calamusa to remain in Canada was contrary to the recommendation of the trial judge at the criminal hearing, to the findings of the special inquiry that dealt with the immigration and deportation matter, to the order of the Immigration Appeal Board and, most significantly, to the recommendation of his department at the regional level which was apprised of all of the facts, including the compassionate grounds?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think it is fair to say that any investigation the department does is always very thorough and complete.

I would simply say to the hon. member, as I said to him last week, that in this case, as in all cases, we take recommendations and assessments from a variety of sources. It is the responsibility of the minister to make the final decision based on all the evidence, and not a regional office.

Mr. Speyer: Madam Speaker, I should like the minister to please confirm that he acted contrary to the recommendation of the regional department that conducted this investigation.

More significantly, in assessing whether to exercise discretion in favour of Mr. and Mrs. Calamusa, will the minister please confirm that he was aware, at the time of making his decision, of the fact that his department had recommended that certain charges of giving false or misleading evidence be laid against certain witnesses who testified at the special inquiry of Mrs. Calamusa, and that the RCMP is presently conducting investigations with respect to that matter?

Mr. Axworthy: Madam Speaker, in this particular case the judgment was not made on the basis of one series of recommendations. I can assure the hon. member that all the proper authorities were consulted—

An hon. Member: Were you aware?

Mr. Axworthy: —and all the evidence was weighed, and it was all given, including the RCMP which is always in on these cases, and on the basis of that conclusion the grounds for compassion still stand.

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NUCLEAR ENERGY

INSPECTION POLICY OF FINAL USE OF CANADIAN SALES OF URANIUM

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Prime Minister. As I am sure he knows, after several months of very intensive negotiations an agreement is now ready to be signed by the Government of Canada and the western European nations who are users of Canada's uranium which will water down, or limit Canada's existing policies of inspection and consent to the final use of that uranium. Obviously, this deeply involves the whole matter of reprocessing; it involves plutonium and it involves the risk of nuclear proliferation.

Will the government be making any announcement, or will it provide an opportunity for debate before any such agreement is signed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I imagine the hon. member is referring to the INFCE study which was set up in London a couple of years ago and which recommends certain new types of safeguards. It has not been studied yet in cabinet.

I do know that we have current agreements with those to whom we export our uranium, which are valid to the end of September. I am not aware of what actions are planned, but I will inquire. I would think the House would certainly be given an opportunity to express an opinion on it.

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INDUSTRY, TRADE AND COMMERCE

POLICY RESPECTING CREDIT INSURANCE PROGRAM

Hon. Ron Huntington (Capilano): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It deals with the apparent changes of intent and policy to the program of credit insurance, which was intended originally to broaden the sources of capital available to medium and intermediate-sized businesses.

Can the minister tell the House why his department is now encouraging the chartered banks to enter this area of financial assistance to industry, and that with this encouragement of banks into the field he will not be discouraging the development of independent credit insurance companies and will not be restricting competition in this area? With this move is he now expanding the policy of guarantees to include the reinsurance of chartered banks' loan portfolios to medium-sized companies?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the regulations remain the same as they were when they were first adopted in early February. We are not ceasing to encourage the creation of independent, small credit reinsurance companies. We welcome them coming forward so that they can qualify and the program can get under way to assist the term lending of resources of pension funds in the interests of Canadian small business.

• (1140)

Mr. Huntington: Madam Speaker, further to the regulations of which the minister speaks, does the minister agree with his departmental advisers when they insist that provincially-controlled pension and savings plans be excluded as lenders, and that the majority of commercial enterprises in western Canada and the maritimes be excluded as borrowers under this plan; because most of the industries in these regions do not fall within the narrow definitions set by his advisers in manufacturing and processing?

In addition, the minister well knows, being familiar with the expanse of Canada, that most of the industries outside of Quebec and Ontario are tertiary in nature.

Mr. Gray: Madam Speaker, I want to see this program operate to give special attention to the needs of small business in the regions which my hon. friend has mentioned. That will be my direction to my officials.

Oral Questions

NORTHERN PIPELINES

ALASKA GAS PIPELINE—GAS SWAPS WITH UNITED STATES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. When the minister was in opposition last year, he was a very local proponent for Canadian consumers of gas. He said in this House on December 6:

—there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline—

Those were his words. My question to him today is this: what did he mean by gas swaps, and why has he abandoned the idea?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, indeed I stated that the previous government should have at least attempted to negotiate this particular issue.

Some hon. Members: Oh, oh!

Mr. Clark: That is not what you said.

Mr. Lalonde: I refer hon. members to *Hansard* for December 6 and they can read what I said.

Mr. Clark: I have read it, and your nose reaches across the House.

Mr. Crosbie: Watch out, Pinocchio.

Mr. Lalonde: I indicated at that time that we should try and get an arrangement for swaps. As I said last night, I have had frequent meetings with my colleague in the United States and we have discussed this question at great length. Unfortunately, I have not been able to arrive at a satisfactory arrangement in this respect.

Mr. Dick: An ironclad flip-flop.

Mr. Lalonde: It was established to my satisfaction and to the satisfaction of my officials that it was not administratively possible or administratively wise in the current circumstances to arrive at such an arrangement.

Mr. Waddell: I have a supplementary question, Madam Speaker. Am I to understand, and is the House to understand, that the minister came back empty-handed from these negotiations? One must ask why did he not wait for a year before playing his cards; in other words, giving this pre-build away? He could have waited for a year.

My supplementary question is this: would the minister agree with me that without these swaps, now that he has approved an export pipeline of Canadian gas to American markets, that in future the Canadian consumer is going to have to pay more for Canadian gas, if he can get it, or pay for expensive Canadian gas from the Arctic or for Alaskan gas, if he can get that?

Mr. Lalonde: Madam Speaker, I would have to disagree seriously with the interpretation of my hon. friend. First of all, this is the southern part of the Alaska gas pipeline. It is not an export gas pipeline by any means. It has only been approved as an integral part of the Alaska gas pipeline.

Mr. Dick: That is not a guarantee.

Mr. Lalonde: Second, as far as the question he has raised, at the present time we are exporting only gas that is estimated to be surplus to Canadian needs over an extended period of time. Canada is going to get a good price for that gas that it is selling at the present time. It will help Canadian industry to explore further and discover new resources, and make our future even safer in terms of the supply of natural gas.

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CONFLICT OF INTEREST

McDONALD COMMISSION—DONATION BY COMMISSIONER TO LIBERAL PARTY

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to address my question to the Prime Minister. Can the Prime Minister assure the House that he has personally satisfied himself that there is nothing in the background, either from a legal or a moral point of view, which would make it unsuitable for any of his ministers to continue serving as a member of his cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker.

Mr. Hnatyshyn: Madam Speaker, my supplementary question is with respect to conflict of interest in the policy of the government, and the Prime Minister particularly. It was revealed recently that Mr. Guy Gilbert, one of the three commissioners serving on the McDonald commission looking into the affairs of the RCMP, made a financial donation to the Liberal party, and he stated that the Liberal party was the party that he wanted to support.

The McDonald commission is a quasijudicial investigation set up to examine, among other things, the role of the Liberal government with respect to alleged wrongdoing by the RCMP. In fact, the former solicitor general, the hon. member for Notre-Dame-de-Grâce has expressed great concern with respect to such partisan statements tending to compromise the work of that commission. Could the Prime Minister tell the House whether he, in fact, feels it appropriate for Mr. Gilbert to continue as a commissioner on this inquiry which has been lengthy and expensive?

Mr. Trudeau: Madam Speaker, I take it that what the hon. member is objecting to is that Mr. Gilbert was candid and said what he was and what he did. There is nothing wrong in what he did. I think the hon. member is objecting to the fact that he said he was a Liberal. Being a Liberal is not a crime in this country.

An hon. Member: It should be.

Some hon. Members: Oh, oh!

An hon. Member: It is morally offensive.

Mr. Crosbie: When are you going to change the Criminal Code?

Mr. Trudeau: It does not disqualify one from any office. You can even be a Liberal and be a judge. The difference is that you cannot vote if you are a judge, but you can be a judge and be a Liberal. In this particular case, he is not a judge; he is a practising lawyer, a very honourable one and a very competent one. He made the mistake, in the eyes of the hon. member, to say he was a Liberal. I see nothing wrong with that.

Some hon. Members: Hear, hear!

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REGIONAL ECONOMIC EXPANSION

DREE GRANTS TO QUEBEC COMPANY—LOSS OF JOBS IN OTTAWA VALLEY

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I would like to ask a question of the Minister of Regional Economic Expansion.

In view of the fact that the Department of Regional Economic Expansion has said on many occasions that it will not finance companies to close down in one part of Canada to create jobs in another part of Canada, and that in 1971 A. Belanger Limitée, of Montmagny, Quebec, made an application—which was subsequently withdrawn in 1972—but closed down its subsidiary in Carleton Place, some 35 miles from here, costing some 220 jobs there, and in view of the fact that the federal government, with the provincial government, gave almost $2 million to A. Belanger Limitée in 1974-1975, and now that that company is owned by Admiral Corporation it is taking a further 270 jobs from Ottawa, is it the minister's view that losing 500 jobs in the Ottawa Valley through DREE grants to one company, namely, Belanger, making home appliances in Montmagny, is fair and reasonable for the Ottawa Valley?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, the case which the hon. member has just mentioned is certainly one of the saddest cases that I have had before me. I would like to remind the hon. member of the situation. The announcement of the closing in Ottawa was made before that case came before us. Whether or not we gave a grant to the Montmagny location was really not at all in relationship with the closure which was announced about a year before.

Several departments in Ottawa have looked into this matter. I can say to the hon. member that I have looked closely at the distribution of the employees of that Canadian company. In two years from now, hon. members will see that the number of employees in the province of Ontario, which I think today is in the order of 1,200, will increase a little. But there is a problem of rationalization going on in that company.

• (1150)

Mr. Dick: It seems strange that having received quite a large amount in 1974-75 from DREE, the company should conveniently announce a closing in Ottawa and then make an application. It seems there are things working in tandem here.

Will the minister state—whether or not Admiral has more plants in Niagara Falls and Toronto is of no interest to the Ottawa Valley—that he will not approve a grant going to an Admiral subsidiary in Montmagny at this time to expand facilities down there, in view of the fact that it will replace existing jobs right here? That is what is going to happen.

Mr. De Bané: The problem, Madam Speaker, is that the plant in Ottawa is located at a particular site in Ottawa, and that for 30 years the municipal authorities have refused to issue a permit to expand. The company is in a location where it cannot expand.

The decision to close it was taken a long time ago, and the application to my department to open a plant in Montmagny was made a long time after that decision to close here was taken. There is really no relationship between the two. I would be happy to send the hon. member a thorough analysis of the whole question.

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PUBLIC SERVICE

SUPERANNUATION ACCOUNTS OF RCMP, ARMED FORCES AND PUBLIC SERVICE—ACCOUNTING PROCEDURES

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is for the President of the Treasury Board. In view of the criticisms which have been directed by the Auditor General to government accounting procedures in relation to the superannuation accounts of the RCMP, the Canadian Armed Forces and the public service, and in recognition of the fact that the government is crediting interest to these accounts at a pitiful rate of only 4 per cent per annum, thereby enjoying a low-interest loan of about $9 billion financed by our public employees to cover a major portion of federal government debt, will the President of the Treasury Board agree to commission a full audit by the Auditor General of the superannuation accounts of Canada, and will he also put a stop to this blatant misuse by the government of the pension contributions made by our public employees?

Some hon. Members: Hear, hear!

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, we are, of course, always interested in improving our standards of accountability. I have discussed a number of these issues with the Auditor General. It happens I am having lunch with him today, so I will raise the point the hon. member has mentioned.

Mr. Siddon: A related question, again to the President of the Treasury Board. What are the minister's plans with respect to revision of the indexing provisions of the superannuation accounts? Does the Liberal government intend to reintroduce legislation this session along the lines of its earlier proposal, which would have the effect of restricting or eliminating the present indexing provisions accorded to public employees?

Mr. Johnston: The hon. member is dealing with a very complex issue, one which was studied extensively, as he knows, before the committee last year. Bill C-12 is the bill to which he is referring. It is a matter of great concern to the Minister of National Health and Welfare, who has indicated that a national pensions' conference will be held to discuss a number of aspects dealing with pension plans, portability and, of course, indexing.

I understand that studies on indexation are being conducted by a number of private groups, including the Conference Board in Canada. The hon. member can rest assured that this is a matter of priority concern with us and that we shall be bringing forward a paper for discussion or further proposals for discussion, I hope at a relatively early date.

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NORTHERN PIPELINES

ALASKA GAS PIPELINE—ASSURANCES OF UNITED STATES—GARRISON DIVERSION

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Secretary of State for External Affairs. In making its decision to approve the pre-build of the Alaska gas pipeline, the government is relying heavily on assurances by the executive branch of the United States government.

Would the minister comment on the extent to which such assurances may prove reliable, in the light of the fact that less than three weeks ago President Carter approved further funding for the Garrison diversion unit after having assured Canada that the U.S. would live up to its obligations under the Boundary Waters Treaty?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the government is not relying exclusively on undertakings by the executive branch. We also have the motion which was passed by the U.S. Congress. It is precisely because of our experience with the United States in other instances that we felt we should get this assurance. I might say, with particular respect to Garrison, that we continue to rely on the assurance of the U.S. government that they will respect the Boundary Waters Treaty.

Mr. Sargeant: My supplementary is also directed to the Secretary of State for External Affairs. Last month, when he visited Washington, the Minister of Employment and Immigration received personal assurances from his American counterparts that the Garrison appropriation would not be approved. He accepted those assurances in good faith; yet the appropriation was made.

In light of the inability of the executive branch of the U.S. government to ensure that its commitments are fulfilled by the U.S. Congress, can the Secretary of State tell the House what action he intends to take to protect Manitoba from the eventual completion of the Garrison project?

Mr. MacGuigan: Madam Speaker, the assurances which were received by my colleague were in respect to the way in which the money to be voted by Congress was to be spent. We do have an assurance from the executive that the money which has been voted will not be spent on works which in any way affect the province of Manitoba or the transfer of waters from one basin to another.

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RAILWAYS

CROWSNEST PASS RATE—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Madam Speaker, I have a question for the Minister of Transport. I should like to ask him whether he or his department are contemplating any significant moves or changes which, hopefully, would be of greater benefit to western Canadian grain production, agriculture and railways in terms of the Crowsnest Pass rate? If there are any changes forthcoming, will these changes be announced or will they be implemented or proceeded with some time between now and when Parliament comes back in the first part of October?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have spent a lot of time in contemplation on that subject in recent days and I have done a lot of consultation, also, as the hon. member is aware. I have drawn my own conclusions. I am due to present them to my colleagues in the course of a couple of weeks and will be guided by the consensus which will develop there.

* * *

ENERGY

DEVELOPMENT OF OIL SANDS—INVESTMENT THEREIN

Mr. Jack Shields (Athabasca): My question is for the Prime Minister, Madam Speaker. It has been estimated that the approval of the pre-build portion of the Alaska pipeline is worth between $4 billion and $5 billion, resulting in a 1 per cent hike in the gross national product.

Will the Prime Minister explore with Mr. Lougheed in the upcoming negotiations the removal of the oil sands and heavy oil plant development from the pricing agreement so that $12 billion of funds which are ready to be invested in heavy oil and tar sands can go ahead immediately, thus securing the energy supply for Canada, creating 40,000 permanent jobs and probably increasing the GNP by between 2 per cent and 3 per cent?

Right Hon. P. E. Trudeau (Prime Minister): We on this side of the House share the hon. member's interest in seeing Canada as a whole, and Alberta in particular, profiting from the development of the tar sands and, of course, in the case of the oil sands, heavy oil, this applies also to Saskatchewan. I am sure I shall be discussing this matter with Premier Lougheed; it will be a very substantial part of our discussions.

* * *

REGIONAL ECONOMIC EXPANSION

ALLOCATION OF DREE GRANTS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is addressed to the minister responsible for DREE and is a follow-up to the question which was asked by the hon. member for Lanark-Renfrew-Carleton.

Is the minister aware that there are a great many other industries in provinces which are not favoured by DREE, communities which are suffering the same disaster with industries going to more attractive parts of the country where the DREE program applies? When one province receives 43 per cent of all DREE grants there is a strong inducement for industries to leave one province to go to the province where they can qualify for a DREE grant. I find this throughout central Ontario with industries employing up to probably 200 or 300 people.

• (1200)

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, my philosophy is essentially that we should try to build on the potential of each region. I, personally, do not think that we can play one region against the other.

If the hon. member is interested, I would be very agreeable to giving him all of the different figures for every region. He thinks his is not receiving enough. I am very pleased to say to the hon. member that I discussed this particular riding with several Ontario ministers of the provincial government to see to what extent both levels of government, and particularly through my department, can do something for his riding. However, I do not think we should criticize what we are doing in every region, because I think that would be quite counterproductive.

I could give examples. Just to give one, recently the province of Quebec asked me for a grant to build an industry in the poorest region of the province of Quebec, the Magdalen Islands. There is 60 per cent unemployment there. I said no because it would hurt two industries in the province of Ontario.

FISHERIES

RATIFICATION OF CANADA-U.S. EAST COAST TREATY

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is to the Minister of Fisheries and Oceans. As he is aware, and as the entire House is probably aware, there will be an interparliamentary delegation going to Washington next Wednesday to discuss the east coast fisheries treaty. This House approved that treaty over one year ago, and it is still waiting for ratification by the U.S. senate foreign relations committee.

In view of the minister's seemingly wholehearted approval of the sell-out of energy yesterday, I would like to ask the minister today, as he is sending that delegation to Washington practically naked, whether he would give some assurance to this House and the fishermen of Canada that he is not prepared to sell out the fisheries as he was prepared to sell out energy yesterday.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I thought when the hon. member's question began that it was a show of support and solidarity of all parties in the House on a very important and fundamental issue to the fishermen of this country.

Obviously, the hon. member chose to use one of the very overused cliches used by some of his friends on the west coast. Whenever negotiations take place, and whenever both sides arrive at an agreement, the hon. member's friends on the west coast always shout "sell-out". I am sorry to say so, but if we are going to negotiate boundary agreements and fisheries agreements, obviously there is going to be a level of grumbling on both sides, which probably means that there is a reasonable agreement.

Mr. Miller: Madam Speaker, I think there is just cause for calling "sell-out" in Canada when we look at the fisheries treaties. We on the west coast are getting no progress from the U.S. My hon. friend, the hon. member for Selkirk-Interlake, indicated problems with the Garrison diversion. Acid rain has been a problem in Canada.

I would like to ask the minister whether at any stage he will indicate to his government that we should not be selling out our resources, and that we should be linking some of these fisheries resources with energy and those other things upon which the United States is dependent.

Mr. LeBlanc: Madam Speaker, I do not know what the hon. member's approach to these issues is. I am a little worried, because I would not like to see the fisheries in the balance against some other regional interest in this country. If the hon. member is advocating that we should take this philosophy, I hope he explains that to his fishermen when he loses the next round. Thank goodness he will not, because he will not be in the government.

If the hon. member attended the briefing which was given to all members of the fisheries committee, he will have heard that the hope for agreement on the west coast salmon interception

problem is greater than it has been for a number of years. This is not just from my officials; it is from all representatives—except one—of the industry in British Columbia.

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[*Translation*]

HOUSE OF COMMONS

APPOINTMENT OF MR. ARTHUR STANLEY SILVERMAN AS ADMINISTRATOR

Madam Speaker: Hon. members will recall that in April, 1979, my predecessor, after consultation with the Standing Committee on Management and Members' Services, invited the Auditor General to undertake a thorough review of the House of Commons administration. You will also recall that in October, 1979, the results of the preliminary investigation made by the Auditor General on the administration of the House of Commons were delivered to Mr. Jerome with a number of key recommendations under the form of an interim report. My predecessor immediately responded to that recommendation and accepted the proposal of the Auditor General to appoint Mr. Rhéal Chatelain, senior deputy Auditor General, as acting administrator of the House of Commons. Mr. Chatelain took up his duties here at the end of November, 1979.

[*English*]

The dissolution of the House of Commons delayed the early consideration of the Auditor General's interim report, but I have now had an opportunity to discuss his principal recommendations with the commissioners of internal economy and with members of the Standing Committee on Management and Members' Services. I thank them for their assistance to me in this very important and complex matter.

I want to say to the House that, after giving very careful consideration to the various aspects of the administrative structure of the House of Commons, I have concluded that the Speaker and the House must be supported by a professional administrative staff to provide the services and systems necessary. Therefore, I have taken the necessary steps to create the position of administrator, whose authority will derive from the Speaker, and after careful consideration of the qualifications and experience of a number of candidates I have appointed Mr. Arthur Stanley Silverman to that position. Mr. Silverman is a certified general accountant with 15 years' experience in private industry and in government. He comes to us well qualified and very highly recommended, and I am sure that hon. members will give him every assistance as he assumes the important responsibilities of his new office.

[*Translation*]

TRIBUTE TO MR. RHÉAL CHATELAIN

Madam Speaker: On your behalf also, I publicly thank Mr. Rhéal Chatelain who has enabled us to benefit from his vast administrative experience in that temporary period and who, thanks to his sound expertise, has given us his unique assistance in developing administrative structures which hopefully will help us take up the challenge to make the House of Commons an institution which will more adequately serve the Canadian nation.

* * *

[*English*]

PRIVILEGE

MR. NIELSEN—EDITING OF OFFICIAL REPORT—DISCREPANCY WITH "JOURNALS"—RULING BY MADAM SPEAKER

Madam Speaker: On April 28 the hon. member for Parkdale-High Park (Mr. Flis) asked for leave and offered a motion to the House under the provisions of Standing Order 43. The question was put from the chair. The clerks at the table pointed out to the Speaker that the motion was not correct as to form. The clerks at the table exercised their editorial judgment and edited the motion accordingly. The hon. member was made aware of the changes and agreed with them.

Two days later the hon. member came back to the table to state that certain words in the motion were only meant for his introduction and should not have been included in his motion. On examining the situation the Clerk of the House decided that the hon. member was correct and, accordingly, a corrigendum was printed in *Votes and Proceedings*. Through an administrative error *Hansard* was not informed.

Hon. members move many motions under Standing Order 43, some of which are not correct as to form. Many of those motions are adopted and, if they are to be printed separately from their preamble, would make little sense to the reader and have to be changed as to form to make them complete.

I hope that this clears the matter for all hon. members, and I thank the hon. member for Yukon (Mr. Nielsen) for his interest in ensuring that our administrative practices relating to this procedure are of the highest possible standards.

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HOUSE OF COMMONS

TRIBUTE TO RETIRING "HANSARD" REPORTER

Madam Speaker: I beg also to inform hon. members that Mr. Charles Fisher, the senior *Hansard* reporter, will be terminating his service to the House of Commons on the day we adjourn for the summer recess.

Mr. Charles Fisher joined the *Hansard* staff in 1957. His talents are numerous and his reporting skill and dedication to *Hansard* immeasurable. I am sure all hon. members will join me in expressing best wishes to a faithful servant of the House of Commons.

• (1210)

Some hon. Members: Hear, hear!

PRIVILEGE

MR. KNOWLES—NORTHERN PIPELINE ACT—USE OF ORDER IN COUNCIL AUTHORITY

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the matter of privilege which I wish to raise arises out of this morning's question period, in particular the answer which the Prime Minister (Mr. Trudeau) gave to the leader of this party, the hon. member for Oshawa (Mr. Broadbent). I should like to say that I think this point of privilege touches one of the most important issues in the operation of Parliament, namely, the relationship between the executive and Parliament. This relationship shows up most prominently in the instances where the government uses its order in council power.

What we have before us at the present time is an example of the use of that power by the government under the Northern Pipeline Act in a way which some of us think is questionable. Let me say immediately that I recognize there is a debatable point, but the difficulty is that if the government has used an order in council authority which does not exist and goes ahead with the construction of the pre-build of the northern pipeline, it will soon be the case that it will be too late for Parliament to exercise its authority.

I recognize, Your Honour, that all regulations and orders passed by the government are referred in due course to the Standing Joint Committee on Regulations and other Statutory Instruments, and I assume, therefore, that this order in council will eventually get into the hands of that committee. But if the House were to adjourn soon, there is no telling when that consideration might be given. In other words, the construction of the line could be undertaken before anybody has had the opportunity to consider the question as to whether or not it is legal.

I remind Your Honour that there have been occasions when orders in council passed by the government, which the government claimed were legal, proved to be otherwise. I have in mind, in particular, an order in council passed by the Diefenbaker government in 1962 having to do with the increasing of import duties and certain other taxes. I will not take the time to tell the House the story of that incident, but the matter was taken to court and, as a result of its being taken to court, the Liberal government which followed a year later found it necessary to introduce a statute to legalize what had been done by the Diefenbaker government under an order in council.

I am prepared to admit that the question of whether it was legal or illegal never was settled; the Liberal government took no chance on the courts deciding against the order in council because, if that had happened, the amounts of money to be paid back would have been tremendous. But the fact that the government of that day did act as it did suggests that it certainly had doubts about the legality of that order in council.

I say that this situation confronts us now. I know the arguments that are made both ways. We contend that the Northern Pipeline Act provides—and the definition is very clear—for the building of one pipeline from Alaska across Canada into the lower 48 states. We contend that the building of only a portion of that line is not consistent with the provisions of the act. In fact, we contend that what was intended to be a transportation medium for American gas to move from Alaska to the rest of the United States has been turned into an export pipeline for the purpose of exporting Canadian gas to the United States.

The government's argument, on the other hand, is that it has authority under section 20(4) of the act to amend the terms of condition 12 in schedule III. I do not agree but I am prepared to admit that there are arguments on both sides. But my point of privilege, Madam Speaker, is this, that unless something is done now, it can be too late. Perhaps down the road somewhere the Standing Joint Committee on Regulations and other Statutory Instruments will find that the order in council exceeded the authority set out in the act or that there should be court action about it, and by that time, of course, the construction could be under way and it would be a very costly proposition to alter it or change it at that time.

I feel therefore, Madam Speaker, that the time to get this matter settled is now, before the pipeline is started rather than afterward. I shall indicate what I suggest. I suggest that the matter should be referred to a standing committee of the House. If you find, either today or on Monday, that I have a prima facie case of privilege, I would be prepared to move such a motion. The usual motion when one raises a point of privilege is to refer the matter to the Standing Committee on Privileges and Elections, but because this order in council would eventually go to the Standing Joint Committee on Regulations and other Statutory Instruments, I think it might be appropriate for the motion to read that it be referred forthwith to that committee so that it can investigate it right away.

As I say, Madam Speaker, this touches on a pretty important matter in our parliamentary relations. There is no doubt about our position and that we have views about the pre-build; I do not deny that for a moment. But I am speaking now as one who is concerned about how government and Parliament operate and I just do not buy the idea of government arguing by assertion, saying that it has the right to do under section 20(4) of the Northern Pipeline Act what it has done. I just do not buy the argument that the government has the right to say that a bill which provided for a transportation link between Alaska and the lower 48 states can now be turned into authority to build a southern Alberta pipeline for the export of Canadian gas to the United States.

I submit, Your Honour, that Parliament has the right to have this legal question at least reviewed by some body responsible to us, and I hope that you will give the matter serious consideration.

The Prime Minister suggested today to the leader of this party that he would accept an amendment which we might move to the adjournment motion. I would remind the Prime Minister that you, Your Honour, are the one to decide on whether an amendment is acceptable, I can also tell him and I can tell you that since that suggestion was made I have tried to

draft one; I have one ready for the hon. member for Oshawa when he speaks later. I can see procedural problems about it, but in no case can we draft an amendment to a motion to adjourn the House for a recess in such a way that it gives the government the authority to act by order in council with respect to a matter that is spelled out so clearly in a statute of Parliament.

I hope that this amendment which I have drafted will be accepted and we can have a debate on it and vote on it at some time, Monday, Tuesday or whenever we get around to it. But in the meantime it seems to me the basic question of the right of the executive to say to itself that it can do this under the terms of the act must be reviewed.

• (1220)

I go back to an incident which I hope will not annoy my Conservative friends because I am referring to something that happened in their time; it is just the one that comes to my mind. I recall so well how, on the floor of this House in 1962, we challenged the then prime minister, Mr. Diefenbaker, to get a court consideration of the matter. He just stood up and said, with all the power of assertion the late right honourable gentleman had, that it was in order, that the government had the authority to use two statutes—one was the Customs Tariff and the other was the Financial Administration Act—to raise duties considerably on the one hand and then forgive them and put them back a little on the other. In fact, however, changing the rates of duty cannot be done by a government unless it has the authority of Parliament.

I am making the point that this sort of thing has been done. Just because the prime minister, whether it was Mr. Diefenbaker or the present one, stood up and said, "What we are doing is within order in council powers", does not make it such.

When the Hon. John Turner was minister of justice, the Standing Joint Committee on Regulations and other Statutory Instruments was set up. It is a very important committee. The government argued then that the power of regulation or the power to do things by order in council had to be put within certain limits. One of the limits he proposed, which supposedly would protect the rights of Parliament under this, was this standing joint committee to which all orders and regulations would stand referred. That committee has been a joint committee of both Houses. It has had opposition persons, at least from our side, in the chair of the committee. It has done some awfully good work, and I would be quite happy to accept the judgment of that joint committee on this. But there is not much point in getting that judgment some time after October 15, which is the date that it is proposed we come back.

I present this matter to Madam Speaker as a very serious question of privilege. I do not deny my bias and the bias of my party in so far as the policy is concerned, but I ask Your Honour to join with me in looking beyond that to the importance of an action by the government which, in my view, transcends its authority to act by order in council under a statute. One of the basic principles around here is just that—yes, governments can pass orders in council but only if they are given that authority.

I well remember back in the days of World War II that we used to be astounded by the things the government could pass by order in council. It was able to do so because of the War Measures Act under which it could do anything. I remember we came down here in November, 1944, for a special week's session to deal with the conscription crisis. At that point the pay of members of Parliament was only $4,000 a year, and we had had our $4,000. Most of the members who had come for that week in November were finding it pretty difficult to get enough dollars together on which to live, but the government solved the problem by using the War Measures Act to pass an order in council giving us $25 a day for seven days. As I say, the War Measures Act was all pervasive; the government could do anything under it. But once that is no longer there, no order in council can be passed by the government unless there is authority for it in a statute.

Now, the Prime Minister said that the government have the authority under section 20(4) of the Northern Pipeline Act. We question that. Their argument may prevail over ours if it gets before a proper court, but I deny the right of the government simply to stand up and argue by assertion that they have the right and therefore Parliament just has to take it.

Therefore, I raise this matter as a serious question of privilege. If Your Honour finds either now or after you have reflected on it that I have a prima facie case, I would be pleased to move that the matter be referred to whichever committee Your Honour advises, either to the Standing Committee on Privileges and Elections or to the Standing Joint Committee on Regulations and other Statutory Instruments.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has couched this as a question of privilege. I do not know whether it is a question of privilege in the sense that Your Honour has defined it, but I think whether or not it is a question of privilege is academic at this point.

The hon. member has really said that he takes the view that orders in council or other instruments which have been issued, promulgated, passed or whatever by the government, are passed without authority in the statute. It is a matter of elementary parliamentary law and elementary law that there must be power in the statute before such orders can be passed.

The minister has not yet tabled the documents respecting other matters which he undertook to do today. But if that is the issue in terms of the question raised by the hon. member for Winnipeg North Centre, then I think whether or not it is a question of privilege the issue regarding the power to pass that order in council can be settled, and I respectfully suggest should be settled, at least in the parliamentary sense.

Of course, the place for the settlement of that issue is in the Standing Joint Committee on Regulations and other Statutory Instruments; I think that would be the appropriate one. The hon. member for Winnipeg North Centre referred to possibly

two committees, but I think that is the appropriate committee. It is important that the issue be settled, at least in so far as we can settle it here in Parliament from the points of view of the government on the one hand, and members of Parliament on the other, respecting the relationship of the executive to Parliament and, of course, respecting the producers and users of the facility which is the subject of the argument and was the subject of the statement last night by the minister.

Our hope is to facilitate the early settlement of that point in so far as Parliament may be able to settle it. From our party's point of view, we would be prepared to consent to a reference now of that matter to the Standing Joint Committee on Regulations and other Statutory Instruments, that that reference take place, that the committee convene quickly next week whether or not Parliament is sitting, and that the issue which has been placed squarely by the member go to committee so that in a parliamentary sense it can be settled and dealt with.

In my judgment and in my respectful submission, that does not take away any other rights that are there. Let me be clear about that. It does not take away the right of a citizen to go to court. Whether that citizen is a member of Parliament or otherwise, he has that right. But at least it would settle that issue.

If we could agree upon that today, then I think the business of the House could proceed and at least there would be some certainty put on the question of the legality or illegality of what the government has done. I am not passing any judgment on that because I have not seen the documents; they are to be tabled later on today, according to the undertaking of the minister. At least it would settle the question that has been put squarely and was the subject of a considerable amount of debate last night.

I just want to make it clear that we would be prepared to consent to that kind of arrangement and to negotiate that kind of an arrangement if that were the case, because I think it is important that it be settled.

• (1240)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with all due respect to the experience of the hon. member who rose on what he called a question of privilege, I must unfortunately differ from him with regard to the substance of his intervention. Basically he claims that the order approved by the governor in council should be subject to examination by this Parliament, or a committee of the House, before being applied; that is to say, he would like the order in council authorizing the construction of the pre-build, as an integral part of the whole pipeline, to be studied by Parliament—there is a standing committee of the House—before construction starts.

I must say, Madam Speaker, that it would be contrary not only to the letter but to the spirit of the law, as well as contrary to the opinion requested and obtained from the law officers of the Crown, for us to proceed in that fashion. My colleague, the hon. member for Nepean-Carleton (Mr. Baker), indicated that, as far as his party is concerned, he sees no objection to the order in council and supporting documents being examined by the Standing Committee on Regulations and other Statutory Instruments as soon as possible, even next week if need be.

Personally, I do not see why that committee could not meet today, or early next week, to study the order in council of the government. Still, I would hate to see that study delay the start of the pre-build construction. The hon. member for Nepean-Carleton, very pertinently, I must say, indicated that the Canadian people, whether it be companies or individuals, have other recourses, which the government does not deny them, and that if anyone should claim that the government has acted illegally, the matter could in various ways be referred to the courts. An injunction could be requested to prevent the start of operations if that upsets the NDP too much.

Be that as it may, there are ways and means of having recourse to the law when people doubt the legality of an order in council, or a government decision or policy. But resorting to a question of privilege because the government has applied section 20(4) of Bill C-25 is splitting hairs, not in four but in eight, 16 or even 32. Basically there is no substance to the question of privilege brought up by the hon. member for Winnipeg North Centre (Mr. Knowles). Madam Speaker, I deem it advisable, for the record, to quote a very brief excerpt from the law under which the government has acted: section 20(4) of the act to establish the Northern Pipeline Agency stipulates as follows, and I quote:

> The board or the designated officer may rescind, amend or add to the terms and conditions set out in schedule III or deemed to be set out therein but no rescission of or amendment to such a term or condition or addition of a term or condition is effective without the approval of the governor in council.

Madam Speaker, what NDP members and especially their House leader are referring to is an amendment to section 12 of schedule III, something covered by section 20(4) of the act. It cannot be any clearer that the government had the authority through an order in council to do what it did. This time, Madam Speaker, we are not dealing with the legislation of a foreign parliament, a foreign country, or the government of another land. This is legislation of the Canadian Parliament. Hon. members of the House are those who at a given time had to examine it, clause by clause, and when they reached clause 20(4), they realized that in a democratic fashion, following their election by the people, they were giving through a majority mandate to the government the power to do essentially what the hon. member for Winnipeg North Centre is now reproaching it with doing. He is going against the will of Parliament, of a previous parliament, when he questions the right of the government or cabinet to act as it did through an order in council.

Madam Speaker, it is therefore obvious that there is absolutely no substance to the question of privilege raised by the hon. member for Winnipeg North Centre. In my opinion, this is undoubtedly a ploy to air the New Democratic Party's views or its disapproval of the government's policy in this case, but they ought not to use the House's time to pretend that there is in fact substance for a question of privilege and force hon. members to debate a question as to whether, after adopting such an explicit legislation giving the governor in council unequivocal powers, they can take the time of the House to argue that we have now given the governor in council authorization but we wish to go further and have this legislation studied once again in committee.

This is more or less the nature of the request made by the hon. member for Winnipeg North Centre and I say that it is an abuse of procedures, a traditional means which dates back to the war of 1914 or the last war to which he referred earlier. But this is 1980 and we wish to administer laws in an efficient manner, we have lots of work to do and there is absolutely no legitimate basis for his request.

In concluding, Madam Speaker, even if I endorse the excellent proposal made by the hon. member for Nepean-Carleton to ask the Standing Committee on Regulations and other Statutory Instruments to meet as soon as possible in the next days or in the next few weeks, to which we do not object because it would allow members from both sides of the House to make an in-depth study of the order in council, to review our legislative texts, to see to what extent the government application of this Parliament's previously adopted act is carried out democratically, even though I am not opposed to a referral to the appropriate committee, I want to make it clear that in the name of the government I am formally opposed to any reference which might in any way delay the construction of the portion of the pipeline which must be an integral part of the whole project before the end of 1985.

Therefore, Madam Speaker, in concluding, this is what we on this side of the House are submitting: the question is very simple, very clear and what we have done is to respect the legislation adopted by this Parliament. There is absolutely no basis to the question of privilege and I understand that members of the New Democratic Party will have ample time to discuss the motion which will be moved soon to adjourn the House and to express their opinions, just as they have done since the beginning of this week.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like some clarification on the government's attitude. We agree that a study should not delay the implementation of a decision such as the one which was announced last night by the Government of Canada. But the government House leader knows that if there is to be a reference to a committee he is the one who had to make it. I think one thing that all parties recognize is that such reference is desirable.

I agree, as I have said and I repeat, that we do not wish to delay the implementation of the decision announced last night, but I think it is essential that all members of the House, through committee, take part in a study on the validity of government actions. I have not heard the government House leader say whether or not he is prepared to make such reference to the committee, to recommend such a reference. I have heard no such commitment and I think it would be useful if the President of the Privy Council (Mr. Pinard) made such a commitment. If he does, he can be assured of the Progressive Conservatives' acceptance and agreement.

In my opinion, it would be quite worth while to have the House leaders of all three parties get together and draft some terms of reference that would be acceptable to all. We in our party are prepared to discuss the terms of reference later today. The President of the Privy Council might indicate today, now, whether he would be willing to recommend such a reference to the committee.

Mr. Pinard: Madam Speaker, I think that earlier I made myself clear enough. Some time this afternoon, before we close this first part of the session, hopefully before four o'clock, I shall be very pleased to have a more thorough discussion with the House leaders and the Leader of the Official Opposition (Mr. Clark), if they so wish, so that we might try to agree on a reference and have the order in council, which in any case will eventually come under the consideration of the Standing Committee on Regulations and other Statutory Instruments, examined sooner than it would be under the normal conditions we all know, without, as the Leader of the Opposition said, causing any delay in the building of the pipeline. So I shall be pleased to work in co-operation with the House leaders during the day to try to reach an agreement in that regard.

[*English*]

Madam Speaker: I would not like this question of privilege to degenerate into a long debate. I have heard many arguments and I will entertain one more. After that, I will give my decision to the House as to what I intend to do.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I was amazed at the remarks of the President of the Privy Council (Mr. Pinard) for two reasons. Firstly, it occurred to me that if it is against the spirit of Parliament to refer this matter to the committee, why do we have the committee? Is that not what the committee is for, to examine these matters?

Secondly, and more fundamentally, I would draw to the minister's attention a speech during the debate when the Northern Pipeline Act was passed. We not only have in the House one flip-flop, but now there are two flip-flops. If the minister will examine his speeches, he will see that he comes out quite squarely for the concept of having guarantees that the whole line be built.

Furthermore, the President of the Privy Council comes out along with his predecessor, the Minister of Finance (Mr.

MacEachen), who had this to say in *Hansard* for April 4, 1978, at page 4120:

From the very beginning I undertook in the House to ensure that Parliament was brought in at every stage—

Indeed, the government did that. I researched the matter extensively over the last couple of weeks. I looked at all the speeches then and at all the debates in the pipeline committee. I talked to some of the participants, in particular to the Hon. T. C. Douglas who was then a member of this House. I am told by Mr. Douglas that the government then rejected the concept of a pre-build. The concept was brought up and rejected and the act was passed as the Northern Pipeline Act. That was all in the spirit of the act, and hon. members recognize that.

The minister stood up and said that we have the power under section 20, subsection (4). Again, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, that is just an assertion that the government has the power. The minister may be right. I think he is wrong and that it is illegal. I do not see how an apple can be changed into an orange by an order in council, but that may be a matter for the courts.

I appeared at the National Energy Board hearings as an intervener to challenge the power of the board to take this action. There has been a slight misleading, perhaps unintentionally, in the House on this matter. At the hearings, the counsel for the government of Ontario supported my proposition that the board did not really have any jurisdiction in this matter. That was the position of the government of Ontario.

Last night we were told that the government of British Columbia also opposes the pre-build. Perhaps Ontario and British Columbia will bring legal action. I am told that the B.C. Union of Indian Chiefs has also taken that position, and they were at the hearings. Will they bring action? Of course I have, in my status as an intervenor, the right to bring legal action if I so determine. However, the better and ideal remedy would be for the government, as the Minister of Finance said in 1978, to consult the House at all steps and to bring back an amendment to the Northern Pipeline Act. That would be the proper parliamentary procedure, and that is what the government should do if it is really concerned about Parliament. What is the big hurry to go home today? We are paid to be here, and it is our job. We will sit down while the government brings in an amendment. Then we can vote on the amendment and we will see whether the government backbenchers or the Conservatives will vote for the amendment. Then it would be legal.

Mr. Lalonde: Madam Speaker, three members have spoken on behalf of the opposition, and the hon. member for Vancouver-Kingsway (Mr. Waddell) is the fourth member. Only one member has spoken for the government side. You, Madam Speaker, have already ruled that the present speaker will end the debate. While I do not wish to interfere with the hon. member's right to intervene at all, I would respectfully submit that the hon. member is ranging far from the question of privilege itself. He is getting into the substance of the debate.

If the hon. member wishes to get into the substance of the debate, I submit that we on this side should be allowed to refute some of the arguments put forth by the hon. member, which have nothing to do with the question of privilege. The hon. member has suggested that the government should introduce an amendment to the legislation. I would argue that such a step would be a recognition or admission by government and by Parliament that we will support the notion of a pre-build which is separate from the whole Alaska gas pipeline. This would be the worst possible step the government and Parliament could take.

An hon. Member: It is what you are doing.

Mr. Lalonde: The government has indicated that it proposes to stick to building the whole Alaska gas pipeline, not the type of pre-build which the hon. members are proposing. I submit that if the hon. member is permitted to carry on this kind of argument, then we should be allowed to engage in the substance of the debate.

Mr. Waddell: I will conclude, Madam Speaker, now that the minister has made his speech, so he will not have to follow me. I want to say that what we are dealing with is a matter of privilege. I sincerely ask the minister, what is more a matter of privilege than whether the government has the right to take this action by order in council? It is what Parliament is about. It is not, as the President of the Privy Council has said, "splitting hairs"; it is a whole concept.

The concept is, as the hon. member for Winnipeg North Centre pointed out, that there is disagreement as to the legality. Also, it is not enough for the government to stand up and make the assertion that it has the power. As I tried to point out, if the minister would listen, there are a number of parties outside this House in Canada, including some governments of the provinces, which may indeed challenge this move. Then we will be in a real pickle if we lose that law case.

What I am saying is that the matter is indeed a question of privilege, that this matter should come back before Parliament and be dealt with in the House, and that the government concede, before construction goes ahead, that this question will be dealt with in Parliament.

[*Translation*]

Madam Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) is asking me to proceed on the basis that a certain government action could be illegal. I have already stated that the Chair should not have to rule on the legality of government actions. I would even remind hon. members that governments must accept the consequences of their actions, whether good or bad, and that it is not up to the Chair to save them from any possible disaster. The proposal of the hon. member for Nepean-Carleton (Mr. Baker) seems acceptable to the President of the Privy Council (Mr. Pinard). I do not know if it is acceptable to the representatives of the other party in the House, but in any case it would seem a good idea to allow some time to the House leaders to negotiate

referral of the issue raised by the hon. member for Nepean-Carleton to the appropriate committee, and I shall give them time to negotiate this matter. Outside this proposal from the hon. member for Nepean-Carleton, the question of privilege remains entirely open. I am well aware that the hon. member for Winnipeg North Centre would not raise a question of privilege without very serious motives. His knowledge of parliamentary procedure is very extensive, and the House has often benefited from his interventions in this regard.

Because I am aware that his arguments are certainly very serious, I would like time to reflect on the issue and to examine further the arguments he has raised. I would like to take time to examine the blues, and I shall give my decision on this question of privilege some time later today.

* * *

● (1250)

[*English*]

POINTS OF ORDER

MR. PAPROSKI—HUMAN RIGHTS—INQUIRY WHETHER ACTION TAKEN ON S.O. 43 MOTIONS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker. My point of order concerns two motions under Standing Order 43, one of which was passed on November 3, 1978. It was moved by the hon. member for Windsor-Walkerville, now Secretary of State for External Affairs (Mr. MacGuigan), and was seconded by the hon. member for Saskatoon Biggar, now Saskatoon West, (Mr. Hnatyshyn), and concerned the release of Danylo Shumuk. That motion received the unanimous consent of this House in view of the fact that after 34 years Danylo Shumuk is still in prison in the Soviet Union for his defence of human rights.

The same motion under Standing Order 43 was presented on July 14 by the hon. member for Edmonton West (Mr. Lambert), seconded by the hon. member for Parkdale-High Park (Mr. Flis).

I believe this matter will come under the purview of the Chair. After all you, Madam Speaker, as the first commoner, may write to the Soviet embassy and ask them what they are doing about this particular case. You represent all of us in this chamber. This is a very serious matter. The man is dying in prison. We have not heard anything since November 3, 1978, when I believe Speaker Jerome wrote a letter. I do not know whether you, Madam Speaker, have had the opportunity to write a letter or to contact the ambassador from the Soviet Union.

On behalf of this gentleman and all of us in this chamber who have had a great deal of correspondence regarding this case, I think something should be sought from the Soviet ambassador. I sincerely hope that when you do receive such correspondence you would pass it on to all members of this chamber who are concerned in this matter. I think the Soviet Union is taking its time on this. By the time we get an answer from them the man is likely to have died in prison.

I say sincerely, Madam Speaker, that I think this is a case within the purview of the Chair. I hope that we may receive an answer in the very near future.

Madam Speaker: The hon. member is right in saying that I often act for hon. members of this House.

I would have to look at the wording of the Standing Order 43, but depending on that wording the Chair or someone else would act, depending on what the resolution said. I do not know as I do not have it with me, but I shall look at it to see whether it would come under my purview or that of the Secretary of State for External Affairs (Mr. MacGuigan).

At any rate, I would not want to be found in neglect in my responsibilities. The hon. member has raised a very serious point of order and I shall look into it. If there is something that I was supposed to do and have not done, I will look into it immediately. I am not sure that it is really under my purview but I will look at it.

Mr. Paproski: There was unanimous consent—

Madam Speaker: I have not given the hon. member the floor. The right hon. Leader of the Opposition.

Mr. Clark: Madam Speaker, I do not want to cut off my colleague from Edmonton North (Mr. Paproski), but I think we accept your undertaking to look into the matter. I know that Your Honour shares the feeling of all members of this House that this is a matter of very real importance, that Your Honour or the Department of External Affairs will act with dispatch and that there will be a reply to the House.

MR. CLARK—IMMIGRATION—REQUEST FOR LIST OF MINISTERIAL PERMITS ISSUED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order which relates to an exchange, reported at page 2799 and 2800 of *Hansard* for July 11, between myself and the Minister of Employment and Immigration (Mr. Axworthy). I think this is the first time we have both been back in the House since that exchange. I gave the minister written notice only a few minutes ago that I would be raising the matter again.

Madam Speaker, my point of order relates to an exchange regarding the Calamusa case. On July 11 when I asked him for the identity of persons making representations in the case, the minister indicated that I should seek them out. He also said that if I could secure their agreement to have their names published, that would probably proceed.

I raised with the minister the very practical difficulty that I cannot seek these people out until I know who they are. I raised the question of whether, on a private basis, he would make available to me the names of those individuals upon whose advice, in part, he had acted in this very important and

contentious case so that I could get in touch with them to see if they would agree to have their names brought forward.

The minister's reply to me, shown on page 2800 of *Hansard*, was that he would take the position that I had raised as notice and see what would be made available. It may well be that the House will rise today. I know the minister would not want any suspicion to exist that he was acting in a deliberate way to try to keep information relating to this highly contentious case from my attention or the attention of Parliament.

I raise this point of order now, Madam Speaker, so that the minister may have an opportunity, after a week's reflection and after having received my note 30 or 40 minutes ago, to indicate whether he will give me those names so that I can seek the consent of those people to have their names published. In that way we would have a clearer understanding of exactly what went on in this case.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should like to speak to this point of order both to clear up some suggestions made in the statement by the Leader of the Opposition (Mr. Clark) and to respond to the point of order itself.

First, I think we should understand very clearly that the facts of the case are absolutely open and clear. A decision was made purely and simply on the grounds that I explained to Parliament—that there is a serious family problem involved, and that we did not want to break up the family or cause undue hardship or further personal tragedy. Those are the only grounds for the decision.

Any suggestion that the Leader of the Opposition or his colleagues attempt to make that there was anything further is a disservice to the family involved and to me. I would like to have that stated very clearly. I think it is unfortunate that there is an attempt to try to suggest that something took place other than that which was explained in this House. Those are the grounds upon which a decision was made and those are the only grounds.

Whatever the motives of the Leader of the Opposition may be—and I am sure they are multiple—he can be assured that those are the only prima facie grounds upon which the decision was made, and he should be assured of that fact.

As far as the question of names is concerned, the Leader of the Opposition knows that I have been overseas. I asked my department to compile a list and to comment upon the advisability of that. I have not had an opportunity yet to review their recommendation on the list but as soon as I have had a chance to do that, I will be in communication with the Leader of the Opposition.

Mr. Thomas Siddon (Richmond-South Delta): On this point of order, Madam Speaker, I should like to ask the minister what the circumstances are that make this family situation somehow unique. Members of Parliament receive pleas from new Canadians and immigrants from all over the world who argue on behalf of their relatives for very legitimate reasons.

Some hon. Members: Order.

Mr. Siddon: I should like to know what the specific, exceptional circumstances are in the present case, which led the minister to grant this application.

Mr. Axworthy: Madam Speaker, this is somewhat irrelevant to the point of order but I think it deserves a response.

All kinds of cases come to my attention and each has its own unique characteristics. If the hon. member wants, I will be glad to sit down with him and recount for his interest and education the number of cases I have received from members on both sides of the House and the variety of circumstances upon which judgments are made.

I would also point out to the hon. member and for the interest and education and edification of all members of that party, who seem to ignore a basic fact, that section 19(2) of the act sets out a large category of inadmissible evidence where people are allowed to come in under order in council. That accounts for hundreds of cases on an annual basis. Those reports are tabled in Parliament. I suggest that the hon. member look at that report before he and his leader and others make such suggestions. It has been a well-established practice and pattern in this House for many, many years that those are the grounds and that comes within the purview of the act.

I would point out to the hon. member that each case is considered on its merits and its circumstances. Many members ask that this kind of evaluation and assessment be made and I have been very open and accessible to them in making it.

• (1300)

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

First report of Standing Committee on Public Accounts, in both official languages—Mr. Clarke.

[*English*]

FISHERIES AND FORESTRY

Miss Coline Campbell (South West Nova): Madam Speaker, I have the honour to present in both English and French the second report of the Standing Committee on Fisheries and Forestry.

If the House gives its consent, I intend to move concurrence in this report later this day.

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

First report of Standing Committee on Justice and Legal Affairs—Mr. Dubois.

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

[*English*]

Madam Speaker: Order, please. Do I have permission not to see the clock so that we can continue?

Some hon. Members: Agreed.

Some hon. Members: No.

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

At 1.03 p.m. the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

PRIVILEGE

MR. KNOWLES—NORTHERN PIPELINE ACT—USE OF ORDER IN COUNCIL AUTHORITY

Madam Speaker: Order, please. I am ready to rule on the question of privilege raised by the hon. member for Winnipeg North Centre (Mr. Knowles) if the House is agreeable.

The Chair was invited to act on the basis that an action of the government is illegal. I would repeat that this is not within my purview, but even if it were I would have one minor difficulty in that the document referred to is not now before the House. However, even in that case I would have to remind hon. members that it is not for the Chair to determine the legality of an action of the government; I am not expected, nor should I be expected, to place a legal interpretation on such a document, as it relates to a statute.

The hon. member is probably not wanting me to rule on the document itself; he would wish me to send it to the Standing Joint Committee on Regulations and other Statutory Instruments. But this is something the House itself should decide. Perhaps at some future time it will decide on such a course but must do so of its own volition, not from some action on my part. If the House wishes to make a reference to a committee it must do so on its own.

Before I would give priority to a debate on such a motion I would have to be convinced that there is an element of privilege involved in the question raised by the hon. member for Winnipeg North Centre, and I must say that having examined all the arguments put before me I do not find there is a prima facie case of privilege.

* * *

[*Translation*]

AGRICULTURE

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, I have the honour of tabling in the House in both official languages the third report of the Standing Committee on Agriculture. May I also add that, with the consent of the House, I intend to move that the report be concurred in later today on motions.

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

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EXTERNAL AFFAIRS

TABLING OF CORRESPONDENCE WITH U.S. PRESIDENT AND SUPPORTING DOCUMENTS

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, last night I was asked to table certain documents and I undertook to obtain them. Among them there was a letter which the Prime Minister sent to the President of the United States back in March. We have been authorized by American officials to allow the tabling of this document so as to make it public. I am therefore pleased to table a letter sent last March 12 by the Prime Minister to President Carter. I will have other documents to table in a few moments. However, Madam Speaker, several members on both sides of the House have asked me whether it would be possible that the documents tabled last night as well as these letters be printed as appendices to today's *Hansard,* so as to make them readily available. We have no objection, and if such is the wish of the House, then we would agree that the letters exchanged by President Carter and the Prime Minister of Canada, the Congress resolution, the agreement signed, and the memorandum of understanding between the American oil producers and distributors be printed as appendices to today's official report, that is the documents I tabled last night as well as this letter.

Madam Speaker: Is it the pleasure of the House?

[*English*]

Mr. Baker (Nepean-Carleton): If the hon. gentleman is asking for consent to that suggestion, he has it.

● (1410)

Mr. Knowles: Yes, Madam Speaker, we give that consent as well.

While I am on my feet and we are discussing documents, may I draw the attention of the Minister of Energy, Mines and Resources (Mr. Lalonde) to the statement made a few moments ago by Your Honour, namely, that the order in council which changes condition 12 is not yet before us. Can the minister table that as well?

Mr. Lalonde: Yes, Madam Speaker. I was also asked last night to table a series of documents, including all orders in council relating to the decisions of the government. That included the order in council concerning condition 12, several other orders in council pursuant to recommendations by the National Energy Board and the orders in council to which reference was made in my statement last night. With the permission of the House I would like to table all those orders in council immediately.

Some hon. Members: Agreed.

Mr. Clark: Madam Speaker, I have a question. I do not have *Hansard* in front of me; because of the lateness of the sitting last night I think *Hansard* is not available. My recollection of the questions and answers, and particularly the answers given by the minister, was that he was asked to table a wide range of documents. I do not have a list of them here. Is it the position of the minister that he is tabling all of the documents he was asked to table yesterday?

Mr. Lalonde: I was coming to that, Madam Speaker. I have reviewed the whole exchange of last night and the commitment I made. In some cases I said I would inquire whether there were additional documents. I know of no other documents, and I want to give the assurance that if later on I was to find one I would table it. But I am assured by officials that there are no other documents than those which are being tabled which are relevant to the decision which has been announced.

Mr. Broadbent: Madam Speaker, I am delighted that the minister is going to table these documents, but since we do not see them right away, and as a matter of interest, I wonder if the minister would inform the House of the date of the order in council which changed condition 12.

Mr. Lalonde: Madam Speaker, the document is at the table, I do not have it with me, but the order in council was adopted last night at the cabinet meeting at roughly six o'clock. I think perhaps it was five minutes to six. I might mention that the order in council is, I think, in terms identical to the proposed order in council put forward by the National Energy Board last April, and it was made public at that time. So it is the same document.

Mr. Waddell: Madam Speaker, I wonder if while the minister is tabling documents he would be prepared to table the financial guarantees that, first, the pre-build can be built and, second, that the whole line can be built. Would he ask his friend, Mr. McMillian of the United States, to give us the financial guarantees so that he could table them today?

Mr. Lalonde: Madam Speaker, if my hon. friend wants to put his own financial guarantees behind it, I think the two of us together could do pretty well.

[*Translation*]

Madam Speaker: By unanimous consent, the documents referred to during the exchanges that took place last night and today will be printed and appended to *Hansard*.

Some hon. Members: Agreed.

Madam Speaker: It is agreed and so ordered.

[*Editor's Note: See Appendix for above documents.*]

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PROHIBITION OF INTERNATIONAL AIR SERVICES ACT

MEASURE TO REGULATE CERTAIN ASPECTS OF AIR TRANSPORT

Hon. J. Gilles Lamontagne (for Secretary of State for External Affairs) moved that Bill S-7, from the Senate, to provide for the prohibition of certain international air services, be read the first time.

Motion agreed to and bill read the first time.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Rae: Madam Speaker, I wonder if I could ask a question of the President of the Privy Council with respect to the bill to repeal the Small Loans Act. I am sure the President of the Privy Council knows full well that there have been discussions with the New Democratic Party and the Conservative party. We took it to be the position of the Liberal party that this was one item which would proceed prior to adjournment. It was one item on which there was unanimous agreement that we would in fact repeal the Small Loans Act and provide relief to those credit unions and caisses populaires which have been so ravaged by the effects of high interest rates and the policies of various governments.

I would like to hear from the President of the Privy Council why it is that this bill is not proceeding with unanimous consent, which is what we agreed on some time ago in discussions with representatives of both parties. We agreed that we would proceed in that way.

[*Translation*]

Mr. Pinard: Madam Speaker, in answer to the question of the hon. member, a suggestion was made earlier this week

during the discussion of a private member's bill which had the same effects as the one the government intends to introduce since we gave notice of it today. But to set things straight, first, I want to say that I told the Progressive Conservative member who had raised the point of order that I was going to consider his suggestion, and indeed I believe we are giving notice today of our intention to introduce eventually a bill to repeal the Small Loans Act.

At the same time, I want to make it quite clear that there never was any agreement between the parliamentary leaders to dispose of that legislation at any time. I would not want the hon. member to mislead the House. It is probably an oversight on his part, but he only has to check with his parliamentary leader and he will find out that this bill has never appeared on the list of bills to be passed before the summer recess. But, in any case, we are giving notice today of our intention to introduce such a bill, and I am convinced that with the support of opposition parties, the government will be able to dispose of this bill at the first opportunity within a very reasonable period of time.

[*English*]

Mr. Darling: Madam Speaker, following upon the matter raised by the hon. member for Broadview-Greenwood, I point out to the President of the Privy Council that I spoke specifically to the minister responsible, the Minister of Consumer and Corporate Affairs, the day before yesterday. He gave me an undertaking that that bill would be brought in Friday morning. I assured the minister that I had talked to the leaders of both opposition parties, that there would be little or no debate and that it would go through. The credit unions have been waiting for this bill and, with all due respect to the President of the Privy Council, the Minister of Consumer and Corporate Affairs gave me an undertaking that that bill would be introduced today and be disposed of through all stages.

Mr. Pinard: Madam Speaker, my hon. colleague misunderstood what the hon. minister told him. The minister told him the truth. The minister told him we would give notice of the bill today, and that is what we are doing.

Mr. Darling: Certainly not.

Mr. Knowles: We could put it through all stages on Monday.

Mr. Collenette: Madam Speaker, I rise on a point of order to ask the indulgence of the House. Since the President of the Privy Council will in a few minutes be moving a motion to adjourn the House for a recess, I wonder, out of courtesy to 30 hon. members who have questions on the order paper, if we could proceed to questions on the order paper before we consider motions.

Madam Speaker: Does the House agree to the suggestion made by the parliamentary secretary?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 8, 17, 21, 24, 26, 104, 237, 248, 262, 265, 559, 595, 603, 638, 712, 713, 714, 723, 830, 866, 909, 945, 946, 949, 970, 975, 1,046, 1,195, 1,199 and 1,438.

[*Text*]

OTTAWA INTERNATIONAL AIRPORT

Question No. 8—**Mr. Cossitt:**

1. Does the government have plans for improving and extending facilities at the Ottawa international airport and, if so, what are the details and what is the estimated cost?

2. Does the government plan to improve the facilities so that the airport can adequately handle international flights?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Transport Canada is currently undertaking two studies in the national capital region: one is called Eastern Ontario/Gatineau Area Aviation Development Plan; the other, Ottawa Airport Master Plan.

The first will develop the most appropriate alternative locations and roles for the airports and aeronautical system components for the area; the second will provide a master plan for the development of the Ottawa airport.

Concurrently, a study to develop the passenger terminal complex, including the modification and expansion of the terminal building, associated aircraft parking apron, access roads, public car parking and utilities, to meet the forecasted demand to 1990 design year, has just been completed. The study is being reviewed by Transport Canada headquarters officials.

The passenger terminal complex development is limited to an immediate improvement program which will allow it to meet travel demands up to the year 1990. The long-range development options required to meet the demands beyond this time-frame will be addressed by the airport master plan which is being developed at the present time.

During the airport master plan process, additional studies are being carried out. These will be based on the airport role and airside requirements established as part of the area aviation development plan. The extent of details and costs associated with the additional facilities required to meet the long-range demands cannot be estimated at this time. Order of magnitude costs will be identified when the conceptual alternative airport plans are developed. The order of magnitude cost for the terminal complex development in the pre-design stage is approximately $35 million.

2. The present inspection service facilities meet the forecasted demand for scheduled international/transborder traffic. However, a possible expansion of the international inspection facilities to meet the demand of the charter operations is to be taken into consideration in developing the terminal concept.

MR. MARCEL RACETTE

Question No. 17—**Mr. Cossitt:**

1. Is or was Mr. Marcel Racette an employee of the National Research Council and, if so (a) in what capacity (b) was he associated in any way with the office of the former Solicitor General, the hon. member for Nipissing (c) did he at any time assist either the hon. member for Nipissing, former Solicitor General, or any of his office staff, specifically a lawyer, in any way, including with translation?

2. At any time after May 22, 1979, did Mr. Racette visit any offices of the former Solicitor General and, if so, for what purpose?

3. To the knowledge of the government, were any documents in the custody of the former Solicitor General or any member of his staff shredded after May 22, 1979 and, if so, was Mr. Racette present at the time and what part, if any, did he play in such activities?

4. To the knowledge of the government, did Mr. Racette state to certain employees of the National Research Council that he assisted in the shredding of documents in the custody of the former Solicitor General, the hon. member for Nipissing, after May 22, 1979?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the National Research Council and the Solicitor General as follows: 1. Yes.

(a) Translator (translation of technical documents).

(b) No, but his friend, Louis Gerard Alberti, was a special assistant to the former Solicitor General.

(c) Yes. Assisted, from time to time, Mr. Alberti with some translation terms, usually by telephone.

2. Yes, to help Mr. Alberti move out of his office.

3. No.

4. No.

RCMP—"FEATHERBED FILE"

Question No. 21—**Mr. Cossitt:**

What is the exact origin of the name "Featherbed" including all the reasons why the file was designated by this name by the security services of the RCMP?

Hon. Bob Kaplan (Solicitor General): The exact origin of the name "Featherbed" is unknown. Files are codeworded to maintain confidentiality of the investigation so that only persons working on the file with a proven need-to-know have access. The file could just as easily been called Christmas Tree as the name has no significance to the subject matter.

NATIONAL SECURITY—NATURE OF "FEATHERBED FILE"

Question No. 24—**Mr. Cossitt:**

1. With reference to the answer given to a question by the hon. member for Leeds-Grenville on Friday, November 23, 1979, at page 1638 of *Hansard*, which stated in part that the Featherbed File "has been dormant for a number of years", has the file been dormant since 1974-75 and, if not, since what year has it been dormant?

2. On what grounds could such a file and the information which it contains be considered dormant after four or five years?

3. What are all the reasons that the government considers it dormant when it is of such recent vintage?

Hon. Bob Kaplan (Solicitor General): 1. The "Featherbed File" has been dormant since 1975.

2. When the RCMP are satisfied that an investigation has been pursued as completely and comprehensively as possible, the file is placed in a dormant or non-active classification. Should new information come to light concerning any investigation, they have no difficulty in reopening the appropriate file.

3. The government considers the "Featherbed File" dormant because all necessary investigative action has been taken.

"FEATHERBED FILE"

Question No. 26—**Mr. Cossitt:**

1. Does the "Featherbed File" contain between 240 and 275 names and, if not, how many names does it contain?

2. Are some of them names of academics, members of the media, federal and provincial government public servants and certain professional people?

3. How many of the names were/are connected with the Department of External Affairs and how many were connected with the Prime Minister's office?

Hon. Bob Kaplan (Solicitor General): 1. The policy of the RCMP is to maintain the confidentiality of names and organizations it maintains in its files. For this reason it is not considered advisable to disclose the precise number of names mentioned in the "Featherbed File".

2. It is the policy of the RCMP to maintain the confidentiality of names of people in their files. This policy extends to releasing any clearcut detail which would assist others to breach this policy.

3. The policy of the RCMP is to maintain the confidentiality of names, organizations, and areas of the public service their investigations encompass. No need is seen to abrogate this policy.

Question No. 104—**Mr. Cossitt:**

With reference to the reply by the Prime Minister given to a question by the hon. member for Leeds-Grenville on November 15, 1977, at page 873 of *Hansard*, which stated in part, that he had never heard of the "Featherbed File", are any records in existence showing how the hon. member for Blainville-Deux-Montagnes, the former Solicitor General, was able to state in the House in reply to the hon. member for Leeds-Grenville at page 927 of *Hansard*, that there was a Featherbed File and was able to give some details about it one day after the Prime Minister denied any knowledge of such a file?

Hon. Bob Kaplan (Solicitor General): In so far as the Royal Canadian Mounted Police are concerned, records indicate that an aide memoire was prepared on November 16, 1977, and the deputy director general (Operations), RCMP security service, briefed the Solicitor General that day.

OWNED OR RENTED BUILDING SPACE

Question No. 237—**Mr. Herbert:**

How many square feet of building space was (a) owned (b) rented by all departments as at March 31, 1979, and what amount of the space was not occupied?

Hon. Paul J. Cosgrove (Minister of Public Works): In so far as the National Capital Commission is concerned:

(a) 16,068.448 m² of owned building space all occupied.

(b) 6,343,769.4 m² of rented building space all occupied.

In so far as Public Works Canada is concerned: As at March 31, 1979, with respect to accomodation under the jurisdiction of Public Works Canada:

(a) Total Crown-owned accommodation: 5,598,547 m²

Total Crown-owned accommodation: 644,684 m² (not occupied)

(b) Total Crown-leased accommodation: 2,512,740.8 m²

Total Crown-leased accommodation: 58,497.6 m² (not occupied)

NOTE: The 644,684 square metres of Crown-owned space not occupied on March 31, 1979, consisted of the following: 455,696 square metres of non-marketable space, i.e., space under active consideration for disposal, space in locations where no market existed, space in buildings undergoing major renovations, etc. 123,529 square metres were assigned to client departments and action was underway to prepare lay-outs and fit up the space for occupancy. The balance of 65,459 square metres was the vacant marketable space at that time representing a vacancy rate of 1.2 per cent of the total Crown-owned inventory. The 58,497 square metres of leased space not occupied on March 31, 1979, included 8,954 square metres in space for which a federal government use no longer existed and where practical efforts were being made to negotiate quit leases with the landlords concerned. Of the remaining 49,544 square metres, 42,332 square metres had been assigned to client departments and action was under way to prepare lay-outs and fit up the space for occupancy. The remaining 7,212 square metres represents the vacant marketable space at that time which represents a vacancy rate of 0.3 per cent of the total Crown leased inventory at that time.

FIRST CLASS MAIL STICKERS

Question No. 248—**Mr. Herbert:**

1. Did the government discontinue the printing of the maple leaf emblem on the green first class mail stickers and, if so, for what reason?

2. Is it intended to replace the emblem with another indication of the country of origin?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Yes. Originally these stickers had an "old style" maple leaf with the appropriate text on either side in a symmetrical design. With the introduction of the corporate identity and federal identity programs, these "public use" forms were some of the first redesigned. Design consultants to Canada Post provided an asymmetrical design utilizing the earlier text and the "bar and leaf". After those stickers were in use for about a year, Information Canada objected to the irregular use of the "bar and leaf" without the deparmental identification "Canada Post—Postes Canada". A number of prototypes incorporating this additional text were tested but proved to be too complex. Returning to the original "leaf" either centred or in an asymmetrical design was rejected by Information Canada. The only alternative then was to print the stickers without the "bar and leaf" or "leaf". Printing only the text allowed the sticker to be reduced in size, achieving some economies.

2. It is not the intention of Canada Post to replace the emblem with another indication of the country of origin.

CANADIAN CONSTRUCTION ASSOCIATION—MIDDLE EAST

Question No. 262—**Mr. Herbert:**

1. Did the Minister of State for International Trade receive a letter dated June 14, 1979, from the chairman of the Canadian Construction Association in which it was stated, regarding the proposed move of the Canadian embassy to Jerusalem, "The hidden cost is the number of business people who will now hesitate to seek out work in that area. The hidden costs of the proposed move, therefore, are substantially above the visible costs"?

2. Did the Canadian Construction Association estimate the value of current construction activity in the Middle East at approximately $2.5 billion, not including the Bell Canada contract?

3. Did the minister reply to the letter and, if so, on what date?

Hon. Ed Lumley (Minister of State, Trade): In so far as the Department of Industry, Trade and Commerce is concerned: 1. The Hon. Michael Wilson, PC, MP, Minister of State for International Trade: Yes.

2. The Canadian Construction Association (CCA) estimated that the financial impact of the proposed embassy move on the construction industry was of $2.479 billion. The CCA letter did not indicate whether the above figure included the Bell Canada contract.

3. On July 27, 1979, the Hon. Robert R. de Cotret, PC, MP, Minister of Industry, Trade and Commerce wrote to the CCA to inform that the government had appointed the Hon. R. L. Stanfield to undertake consultation with all of those who have an interest in government policy regarding the Jerusalem issue.

IMPORT OF CAPITAL INTO CANADA

Question No. 265—**Mr. Herbert:**

What was the (a) gross (b) net import of capital into Canada in each of the past ten years?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: Data are not available on disaggregation of capital transactions between gross and net flows. Flows related to Canadian assets abroad and Canadian liabilities to non-residents in the last ten years are given below.

Capital Flows

Year	Assets[1]	Liabilities	Net	Net errors and omissions[2]
1970	-1,219	+500	-719	-387
1971	-1,747	+2,664	+917	-1,348
1972	-2,607	+4,448	+1,841	-1,455
1973	-5,545	+6,087	+542	-650
1974	-2,774	+5,101	+2,327	-867

Capital Flows

Year	Assets[1]	Liabilities	Net	Net errors and omissions[2]
1975	-1,638	+7,598	+5,960	-1,203
1976	-5,390	+12,890	+7,500	-3,658
1977	-3,193	+9,343	+6,150	-1,851
1978	-8,325	+15,364	+7,039	-1,737
1979	-7,753	+17,174	+9,421	-4,402

[1] minus sign means an increase in assets.

[2] the balancing item representing net errors and omissions in the recorded estimates of both the current and capital accounts.

STATEMENT BY FORMER PRIME MINISTER

Question No. 559—**Mr. Cossitt:**

Did the former Prime Minister state on December 7, 1979, in a press conference, that he had had the opportunity to learn the contents of the two RCMP reports concerning a CBC producer's involvement with a KGB agent and, if so, is the government prepared to release full details of both reports and, if not, would it agree to turn the reports over to top management of CBC for consideration and possible action?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): It would not be appropriate to comment on an alleged statement made by a former Prime Minister.

SUPPLY AND SERVICES—SECURITY SECTION

Question No. 595—**Mr. Cossitt:**

1. Has there been a change in the security group of the services branch of the Department of Supply and Services of any kind?

2. Was security chief Russell Knox given the title director and, if so, what is the significance of the title?

3. Did Mr. Larry Fry, deputy minister, in a memo to staff members in March 1980 state in part that it was desirable "to relocate the security function from the operational function to the policy sector" and, if so, for what reason is this desirable?

4. Is it planned to add additional personnel and, if so, what are all the details?

5. What are all the details and a full description of the duties performed by all security personnel with the department and how many persons are involved?

6. Has any security work been contracted out and, if so, to whom and at what cost?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The security section was located within payments services branch and reported through a director general to the assistant deputy minister. It now reports directly to an assistant deputy minister.

2. Mr. Knox has been given the title of director to signify his reporting level within the services organization.

3. A memo on security was issued on January 18, 1980. It stated "Recent organizational changes and the consolidation of operational roles within services make it desirable to relocate the security function from the operational sector to a policy sector. Such relocation is in keeping with the concept that branches with operating responsibilities be separated from those with policy formulation responsibilities." The concept is of particular significance in a predominantly financial operation.

4. There are no plans to add additional personnel.

5. (a) Services security: under the direction of the ADM planning and finance, is responsible for the protection of the assets and facilities involved in the payments process of the Receiver General and other services operations involving auditing, consulting and computing. It is also concerned with the protection and safety of our employees. Services security consists of a total of six persons.

(b) Supply security: under the direction of the ADM, commercial supply, is responsible for the planning and implementation of industrial and government protective security for the supply administration. It advises the minister, deputy minister and assistant deputy ministers on security matters to ensure protection of information and materials. It also provides personnel security clearance arrangements for the department. Supply security consists of a total of 42 persons.

6. (a) No security work has been contracted out by services administration.

(b) Supply administration has contracted out as follows:

Contractor	Amount
Corps of Commissionaires	$ 996,446.93
National Protective Service Ltd.	$ 13,265.00

FINANCE—LAWYERS ON STAFF

Question No. 603—**Mr. Howie:**

How many lawyers are employed on staff in the Department of Finance?

Hon. Pierre Bussières (Minister of State, Finance): In so far as the Department of Finance Canada is concerned:

A. There are six members of a Canadian Bar Association who are employed on the staff of the tax policy division of the department. These employees are however working as tax policy officers, not as lawyers.

B. The Department of Justice provides 11 lawyers to a single legal branch which furnishes legal services to the Department of Finance Canada, Treasury Board Canada, the office of the Comptroller General of Canada, and the inspector general of banks.

NATIONAL DEFENCE—NUMBER OF EMPLOYEES IN PUBLIC RELATIONS

Question No. 638—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of National Defence?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): The Department of National

Defence has a total of 83 persons engaged in the functions of public relations, publicity and media relations composed of 38 military officers, seven civilian information officers, eight military photographers and 30 military/civilian support staff, covering every region in Canada and overseas (Lahr, West Germany), as well as NORAD and NATO Headquarters.

ENVIRONMENT—LOSS OF EQUIPMENT

Question No. 712—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of the Environment in footnote number 5 at page 12.62, volume I of the 1978-79 Public Accounts of Canada, under what circumstances were the magnetic tapes transport lost and (a) who was culpable (b) was the equipment replaced (c) did the department undertake steps to ensure that such a loss does not recur and, if so, what were they?

2. What use does the department make of magnetic tape transport?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. Theft during 1977/78 fiscal year at the Chemical Control Research Institute, 25 Pickering Place, Ottawa, Ontario.

(a) The Ottawa Police apprehended two individuals in connection with the thefts. All records are confidential but can be obtained by legal officials.

(b) Yes.

(c) Yes. The thefts occurred in the Chemical Control Research Institute located in the Dustbane building, Ottawa. The security at the Dustbane building was adequately handled, but the building was not burglar proof and was easily accessible by thieves as stated in the police report showing how entries were made into the building, i.e. through the ceiling, over walls, etc. The Chemical Control Research Institute now known as the Forest Pest Management Institute is, now, located in a departmentally-owned facility at Sault Ste Marie. The new location provides for better measures of security.

2. Used to carry magnetic tape for the storage of data and information. The one referred to in this text was used in conducting forest pest control research.

ENVIRONMENT—LOSS OF PEN RECORDER

Question No. 713—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of the Environment in footnote number 5 at page 12.62, volume I of the 1978-79 Public Accounts of Canada (a) what is a recorder pen and how is it used by the department (b) did the department undertake steps to ascertain the present whereabouts of the equipment and, if so, what were they (c) was the thief apprehended (d) in what location did the loss occur?

2. Did the department undertake steps to ensure that such a loss does not recur and, if so, what were they?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment):

1. (a) This should read "pen recorder". A pen recorder is an instrument attached to a computer or other analytical piece of equipment which prints or writes data from the analyses being carried out by the instrument or computer. The one referred to in this text was used in conducting forest pest control research.

(b) Yes, the Chemical Control Research Institute contacted the police, who conducted an investigation and police reports are on file.

(c) Yes.

(d) The loss occurred at the Chemical Control Research Institute, 25 Pickering Place, Ottawa, Ontario.

2. Yes. The thefts occurred in the Chemical Control Research Institute located in the Dustbane building, Ottawa. The security at the Dustbane building was adequately handled, but the building was not burglar proof and was easily accessible by thieves as stated in the police report showing how entries were made into the building, i.e. through the ceiling, over walls, etc. The Chemical Control Research Institute now known as the Forest Pest Management Institute is, now, located in a departmentally-owned facility at Sault Ste Marie. The new location provides for better measures of security.

ENVIRONMENT—LOSS OF SPECTROPHOTOMETER

Question No. 714—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of the Environment in footnote number 5 at page 12.62, volume I of the 1978-79 Public Accounts of Canada (a) what is a spectrophotometer and how is it used by the department (b) did the department undertake steps to ascertain the present whereabouts of the equipment and, if so, what were they (c) was the thief apprehended (d) in what location did the loss occur?

2. Did the department undertake steps to ensure that such a loss does not recur and, if so, what were they?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment):

1. (a) A spectrophotometer is an analytical instrument for colorimetric quantitative analyses of chemical compounds. The one referred to in this text was used in conducting forest pest control research.

(b) Yes, the Chemical Control Research Institute contacted the police who conducted an investigation and police reports are on file.

(c) Yes.

(d) The loss occurred at the Chemical Control Research Institute in 1977/78 at 25 Pickering Place, Ottawa, Ontario.

2. Yes. The thefts occurred in the Chemical Control Research Institute located in the Dustbane building, Ottawa.

The security at the Dustbane building was adequately handled, but the building was not burglar proof and was easily accessible by thieves as stated in the police report showing how entries were made into the building, i.e. through the ceiling, over walls, etc. The Chemical Control Research Institute now known as the Forest Pest Management Institute is, now, located in a departmentally-owned facility at Sault Ste Marie. The new location provides for better measures of security.

ENVIRONMENT—RECORD OF UNINSURED LOSSES

Question No. 723—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of the Environment in footnote number 3 at page 9.60, volume I of the 1977-78 Public Accounts of Canada and the losses recorded in footnote number 5 at page 12.62, volume I of the 1978-79 Public Accounts of Canada, in what way does the department explain the similarity of the losses described in both years of (a) one Nikon camera with lenses—$2,000 (b) one recorder, pen—$1,855 (c) one magnetic tape transport—$4,000 (d) one spectrophotometer—$3,000?

2. Did such losses actually incur and (a) if not, was a clerical error made in preparing the Public Accounts (b) if so (i) what steps has the department undertaken to ensure that such losses do not recur (ii) in each case, in what location were the losses sustained and under what circumstances?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. These losses were reported in the 1977/78 Public Accounts in the year in which the loss occurred and were reported again in error in the 1978/79 Public Accounts in the year in which the losses were written off. Public Accounts Instructions Manual states: "Individual losses of $1,000 or more must be reported in the year in which they occur rather than when approval for the write-off is obtained."

2. Yes, such losses actually occurred in 1977/78 but not in 1978/79.

(a) An error was made in preparing the 1978/79 Public Accounts.

(b) (i) The thefts occurred in the Chemical Control Research Institute located in the Dustbane building, Ottawa. The security at the Dustbane building was adequately handled, but the building was not burglar proof and was easily accessible by thieves as stated in the police report showing how entries were made into the building, i.e. through the ceiling, over walls, etc. The Chemical Control Research Institute now known as the Forest Pest Management Institute is, now, located in a departmentally-owned facility at Sault Ste Marie. The new location provides for better measures of security.

(ii) Thefts at the Chemical Control Research Institute, 25 Pickering Place, Ottawa, Ontario.

Order Paper Questions

INCOME TAX—COST OF EDUCATIONAL AIDS AND ADVERTISING

Question No. 830—**Mr. Howie:**

What was the total cost for (a) educational aids (b) advertising with regard to the 1979 individual tax return (i) on television (ii) on radio (iii) in printed publications (iv) by other means and what were such means?

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue):

(a) Educational aids: Teaching Taxes Program, $34,000,

Volunteer Tax Information Program, $12,000.

(b) Advertising: There was no advertising campaign related to the 1979 tax return. The department prepares tax materials and provides these free of charge to the media for use in public service programming. Departmental costs for materials related to the 1979 tax return were: (i) television: $35,000, (ii) radio: $10,000, (iii) print: $3,000 and (iv) none.

ATLANTIC SALMON BOARD

Question No. 866—**Mr. Gass:**

1. (a) What is the function of the Atlantic Salmon Board (b) who are its members (c) how often has the board met?

2. What recommendations, if any, have been issued by the board?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):

1. (a) Purpose and Objective

As the official focal point for federal-provincial, commercial, recreational and native people consultations relating to resource management, the Atlantic Salmon Board provides to the Federal Department of Fisheries and Oceans advice and recommendations on broad policy matters governing conservation, enhancement and utilization of atlantic salmon as it relates to the five Atlantic provinces.

Duties and Responsibilities

In addition to providing responses to matters specifically referred to the board by the department, the board is expected to consider and provide advice and recommendations on the following:

(i) Establishment of policy guidelines upon which the department can base decisions on matters pertaining to access to and utilization of the salmon resource, while providing due consideration of such factors as types of fisheries, interception, community impacts, seasonal parameters, markets for salmon products, social and recreational benefits, international implications and developmental or enhancement techniques and strategies; and,

(ii) review of policy options respecting conservation measures and resource management priorities including specification of alternative policy options and assessment of the implications associated with each option.

(b) The board has representatives of five provincial governments, commercial fishermen, recreational fishermen, native peoples and the Department of Fisheries and Oceans. The board is constituted as follows:

—a chairman, appointed by the Minister of Fisheries and Oceans

—a vice-chairman, appointed by the Minister of Fisheries and Oceans

—four members representing the department

—one representative from each of the five Atlantic region provincial governments

—six members representing commercial Atlantic salmon fishing interests

—five members representing Atlantic salmon sports fishing interests

—two members representing native fishermen

—one member acting as scientific adviser to the board

(c) The board has met twice:

(i) Fredericton: February 13, 1980

(ii) Quebec City: March 27, 28, 1980

The next meeting is tentatively scheduled for mid-June in Corner Brook, Newfoundland.

2. On February 13, at Fredericton, New Brunswick, three recommendations were issued:

(i) The Atlantic Salmon Board recommends that compensation to bona fide commercial salmon fishermen be continued during 1980 in order to give the board time to evaluate alternative proposals relating to future commercial Atlantic salmon fisheries.

(ii) The board recommends that the Department of Fisheries and Oceans prepare initial recommendations to reduce interceptions of Atlantic salmon in distant fisheries for discussion at the next Atlantic Salmon Board meeting.

(iii) The board recommended that the Minister of Fisheries and Oceans encourage his provincial counterparts in Quebec, Newfoundland and Nova Scotia to enter into an Atlantic salmon tagging program comparable to the program that will be initiated in New Brunswick in 1980.

On March 27 and 28, 1980, at Quebec City, P.Q., it was recommended under the following headings:

(a) Terms of Reference

It is recommended that:

(i) the terms of reference as proposed, be amended to ensure that the board report to the hon. Minister of Fisheries and Oceans.

(ii) that the board be free to hold the number of meetings necessary, and that funds be allocated to enable the board to respond to its needs, and that the frequency of board meetings should not be unduly restricted by budgetary or other constraints.

(iii) that the proposed terms of reference be amended to ensure that reports to the hon. minister be made available to the public on a current basis.

(b) Interceptions

(i) to reduce the Newfoundland commercial fishing effort by eliminating all but bona fide fishermen.

(ii) to standardize the type and quantity of gear used by bona fide fishermen.

(iii) to licence and control the gear of the cod, mackerel and herring trap fishermen.

(iv) that the opening of the Newfoundland commercial salmon fishing season be delayed until June 1, or later in coastal areas of Newfoundland where data indicates that such a delay in the opening could help achieve the objective of minimizing the interception of Atlantic salmon of mainland origin.

(c) Enhancement Task Force

The board recommends the establishment of a Federal-Provincial Atlantic Salmon Board technical team from the five Atlantic provinces to identify the potential for enhancement, identify objectives, coordinate strategy and to report back to the board by October, 1980.

INDUSTRY, TRADE AND COMMERCE—GRAINS GROUP

Question No. 909—**Mr. McKnight:**

1. For each year 1976 to date, what was the total number of staff assigned to the grains group under the Department of Industry, Trade and Commerce?

2. (a) What is the total budget allocated to the grains group (b) what amount was allocated for (i) travel (ii) accommodation (iii) other expenses for each trip in the years 1976, 1977 and 1978?

3. What was the total budget allocated to the grains group for research into potential markets for grain in (a) 1976 (b) 1977 (c) 1978 (d) 1979?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. From 1976 to date—Six.

2. 1976/77—$2,005,200 was allocated to the grains group for operating costs; of this amount $119,000 was provided for travel and accommodation and all other expenses related to travel.

1977/78—$695,500 was allocated for operating costs, with $45,000 provided for travel and accommodation.

1978/79—$585,800 was allocated for operating costs, with $30,000 provided for travel and accommodation.

3. The grains group is a policy co-ordinating body and does not undertake any research into potential markets for grain.

NOTE: In the fiscal year 1976-77, the Grain Handling and Transportation Commission was appointed and additional funds totalling $1 million were included in the grains group estimates for that year. The grains group also undertook a Grain Handling and Transportation Information program which was estimated to cost $500,000. These funds were provided for that fiscal year only.

STATISTICS CANADA—SURVEY INTERVIEWERS

Question No. 945—**Mr. MacKay:**

For the fiscal year (a) 1978-79 (b) 1979-80 (c) 1980-81 (estimate), how many survey interviewers were hired by Statistics Canada pursuant to subsection 5(1) of the Statistics Act and what remuneration did they receive on an hourly or daily rate?

Hon. J.-J. Blais (Minister of Supply and Services): The number of survey interviewers hired by Statistics Canada pursuant to subsection 5(1) of the Statistics Act for fiscal year:

(a) 1978-79

2859

(b) 1979-80

2200

(c) 1980-81 (estimated)

2268.

The remuneration received was on an hourly basis.

		Dollars/hr				
(a)	1978-79	1st Level	2nd Level	3rd Level	4th Level	5th Level
	(i) Senior enumerators	5.95	6.05	6.25	6.55	6.80
	(ii) Enumerators					
	(a) Type "A"	4.30	4.45	4.60	4.75	5.00
	(b) Type "B"	4.65	4.85	5.10	5.30	5.55
(b)	1979-80					
	(i) Senior enumerators	6.30	6.45	6.65	6.95	7.25
	(ii) Enumerators					
	(a) Type "A"	4.60	4.75	4.90	5.05	5.30
	(b) Type "B"	4.95	5.15	5.40	5.65	5.90
(c)	1980-81					
	(i) Senior enumerators	6.75	6.90	7.10	7.45	7.75
	(ii) Enumerators					
	(a) Type "A"	4.95	5.10	5.25	5.40	5.65
	(b) Type "B"	5.30	5.50	5.75	6.05	6.30

STATISTICS CANADA—1981 CENSUS

Question No. 946—**Mr. MacKay:**

How many enumerators and commissioners will be required for the 1981 census pursuant to subsection 5(1) of the Statistics Act and what remuneration is planned for such employees on an hourly or daily rate?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: For the 1981 census it is planned that 33,924 enumerators and 1,895 commissioners will be employed under subsection 5(1) of the Statistics Act. Census enumerators will normally be paid a piece rate determined by the type of questionnaire, geography and density of dwellings. This planned piece rate is based on an hourly remuneration of $5.43. The 1981 census commissioners will be paid $58.00 daily for up to 75 days.

INDUSTRY, TRADE AND COMMERCE—GRANTS FOR PROGRAMS

Question No. 949—**Mr. MacKay:**

1. For the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77 (d) 1977-78 (e) 1978-79 (f) 1979-80, by province and territory, what was the total in grants and contributions by the Department of Industry, Trade and Commerce for the Program for the Advancement of Industrial Technology (PAIT) or any successor program under the Enterprise Development Program (EDP)?

2. For the same fiscal years, by province and territory, what was the total in grants and contributions by the department's Shipbuilding Industry Assistance Program (SIAP) or any successor program under the Enterprise Development Program (EDP)?

3. For the same fiscal years, by province and territory, what was the total export financing assistance provided by the Export Development Corporation?

4. For the fiscal year (a) 1978-79 (b) 1979-80, by province and territory, what was the total in grants and contributions by the department's program for Export Market Development (PEMD) or any successor program under the Enterprise Development Program (EDP)?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: Please see the list below for reply to questions 1, 2 and 4.

Program for Advancement of Industrial Technology (PAIT) and Successor Program (EDP)
Provincial Distribution of Contributions Approved

	FY 74/75	FY 75/76	FY 76/77	FY 77/78	FY 78/79	FY 79/80
	($000)					
Alberta	1,002	5,691	1,413	561	2,367	1,891
British Columbia	1,931	5,954	3,641	1,122	8,935	3,832
Manitoba	103	42	1,540	587	942	1,421
New Brunswick	—	52	214	55	468	106
Newfoundland	—	90	227	22	301	617
Nova Scotia	289	43	1,013	15	90	1,332
Northwest Territories	—	—	—	—	—	—
Ontario	18,139	11,147	22,453	12,144	21,135	59,531
Prince Edward Island	139	—	38	95	167	422
Quebec	5,399	6,270	4,968	3,220	4,689	13,770
Saskatchewan	—	17	27	180	495	1,096
Yukon	—	—	—	—	—	—

Shipbuilding Industry Assistance Program (SIAP)
Provincial Distribution of Contributions Approved

	FY 74/75	FY 75/76	FY 76/77	FY 77/78	FY 78/79	FY 79/80
	($000)					
Alberta	247	148	127	—	—	—
British Columbia	9,951	17,529	4,027	2,300	8,271	25,563
Manitoba	37	157	—	76	—	—
New Brunswick	14,089	3,613	34,489	—	2,161	12,924
Newfoundland	1,916	1,125	1,110	2,849	3,189	8,973
Nova Scotia	10,196	—	15,082	628	1,649	2,035
Northwest Territories	—	—	—	—	—	—
Ontario	10,160	5,687	10,109	11,116	13,045	23,335
Prince Edward Island	103	—	—	—	—	822
Quebec	46,024	51,392	4,668	4,139	26,874	18,845
Saskatchewan	—	—	—	—	—	—
Yukon	—	—	—	—	—	—

Program for Export Market Development (PEMD)
Provincial Distributions of Contributions Approved

	FY 78/79 ($000)	FY 79/80
Alberta	821	639
British Columbia	864	957
Manitoba	241	628
New Brunswick	40	90
Newfoundland	35	46
Nova Scotia	148	420
Northwest Territories	—	—
Ontario	4,613	8,092
Prince Edward Island	32	58
Quebec	6,567	8,490
Saskatchewan	218	242
Yukon	—	—

In so far as Export Development Corporation is concerned:

3. For each of its financial years mentioned below, the total of its export financing loan agreements with foreign borrowers and financial guarantees signed to finance the sale of capital equipment and services sold by Canadian exporters was:

	Year	Corporation account section 29 of the Export Development Act	Government account section 31 of the Export Development Act
(a)	1974	$ 502,240,000	$157,236,000
(b)	1975	$ 885,000,000	$250,000,000
(c)	1976	$ 763,021,000	$ 24,523,000
(d)	1977	$1,087,498,000	$ 94,897,000
(e)	1978	$1,671,978,000	$ 87,756,000
(f)	1979	$1,992,131,000	$ 80,683,000

The loans are made to foreign buyers and are not export financing assistance applicable to a province or territory since the network of suppliers and subsuppliers spreads the benefits beyond provincial boundaries; as a result the corporation does not keep its records or statistics in the manner contemplated by the question. There are no statistics maintained which would permit ready retrieval of the information requested. In addition the corporation provides export credits insurance which may be used by exporters to facilitate bank financing.

CABINET COMMITTEES

Question No. 970—**Mr. Beatty:**

1. What are the names of the cabinet committees and what are their functions?

2. What are the names of the ministers who serve as (a) members (b) alternates on each committee?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1 and 2. Cabinet committees are an extension of cabinet, which remains the focus of decision-making in government. Committees enable ministers to consider issues coming before cabinet in greater detail than would otherwise be possible. The committees review and examine ministers' recommendations for policies and programs, and have been delegated authority by cabinet to take decisions in their areas or responsibility, subject to cabinet ratification procedures. All ministers attend weekly full cabinet meetings. The list of cabinet committees, together with the names of the ministers and alternatives, where applicable, who serve on the committees, was tabled on July 10, 1980. The names of the cabinet committees indicate the areas of policy with which they are concerned. The cabinet committee system is closely integrated with the government's policy and expenditure management system. The committees which manage resource envelopes, and their respective envelopes at the present time, are as follows:

Committee	Envelope
Economic Development	Economic Development
Foreign and Defence Policy	External Affairs and Aid; Defence
Government Operations	Parliament; Government Services
Priorities and Planning	Fiscal Arrangements; Public Debt
Social Development	Social Affairs; Justice and Legal

NATIONAL DEFENCE—GUNS

Question No. 975—**Mr. McKinnon:**

Is the Department of National Defence buying "guns through 30mm" for $23,873 and, if so, what type and how many of each type?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Yes. Thirty each .22 calibre rifles complete with slings, magazines and other accessories. These rifles are specialized biathalon rifles used for practising skiing and shooting and because of the special balance needed are essentially hand-made.

LOG HAULING CONTRACTORS—TAX CREDITS

Question No. 1,046—**Mr. Riis:**

Will log hauling contractors be treated the same as logging contractors for tax purposes and thus be eligible for investment tax credits on the purchase of logging trucks?

Hon. Pierre Bussières (Minister of State, Finance): In the budget of November 16, 1978, the Minister of Finance announced that the scope of the investment tax credit was to be extended to transportation equipment acquired after November 16, 1978. Therefore logging trucks used in the transport of logs by a trucking company will ordinarily qualify

as transportation equipment and be eligible for an investment tax credit at the rate of 7 per cent.

ADMIRAL ROBERT FALLS

Question No. 1,195—**Mr. Cossitt:**

1. On or about the end of May, 1980, did Admiral Robert Falls fly to Canada from Europe with the final destination of the aircraft being Trenton, Ontario?

2. Did he or anyone acting on his behalf issue an order that the aircraft be diverted for a landing at Greenwood, Nova Scotia, so that he could personally make an exit and, if so, what was the cost involved in an additional landing and take-off?

3. For what reason did Admiral Falls make an exit in Greenwood, Nova Scotia?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes.

2. Yes. The additional cost was $1,132.

3. This landing permitted Admiral Falls to make his last official visit to maritime command as chief of the defence staff.

INSPECTORS—WEIGHT SCALES

Question No. 1,199—**Mr. Wise:**

1. How many weight scales have federal inspectors inspected in each of the past five years?

2. How many inspectors does the government have for the purpose of inspecting weight scales?

Miss Aideen Nicholson (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

1. 1975/76 140,378
   1976/77 139,091
   1977/78 122,655
   1978/79 123,907
   1979/80 135,000 (estimate)

2. There are 152 inspectors in the department.

GOVERNMENT DECISION—IN THE PUBLIC INTEREST

Question No. 1,438—**Mr. Cossitt:**

1. How does the government decide what is or what is not "in the public interest" to reveal on any specific matters?

2. Who exercises such authority and what are the criteria used?

3. Are any political considerations involved and specifically is consideration given as to whether revelation of any particular information would help or harm the Liberal Party of Canada or the government?

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): 1 and 2. This is clearly a matter of judgment by the minister or ministers responsible for answering any question or notice of motion for the production of papers.

3. No.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary to the President of the Privy Council have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

AGRICULTURE

CONCURRENCE IN THIRD REPORT

Mr. Claude Tessier (Mégantic-Compton-Stanstead): On behalf of the members of the Standing Committee on Agriculture and Canadian farm producers, I ask the House that the third report of the Standing Committee on Agriculture I had the honour to table today, seconded by the hon. member for Richmond (Mr. Tardif), be concurred in unanimously without debate.

Motion agreed to.

* * *

• (1420)

[*English*]

FISHERIES AND FORESTRY

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Miss Coline Campbell (South West Nova) moved that the second report of the Standing Committee on Fisheries and Forestry, presented to the House earlier this day, be concurred in.

Motion agreed to.

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, before moving the adjournment motion, I want to say that we have had consultations following questions asked in the House yesterday. I understand that there would be agreement if motion No. 4 in the name of the Minister of National Defence (Mr. Lamontagne) could be introduced today and debated by one spokesman for each

party, with a time limit of five minutes each. If all parties agree, we shall introduce this motion immediately.

[*English*]

Mr. Baker: Madam Speaker, I am delighted that the hon. gentleman is bringing that forward. There have been discussions and we are agreeable.

Mr. Knowles: So are we, Madam Speaker.

GOVERNMENT ORDERS

[*Translation*]

NATIONAL DEFENCE

REFERENCE TO COMMITTEE OF POLICY RESPECTING DEFENCE CO-OPERATION WITH UNITED STATES

Hon. J. Gilles Lamontagne (Minister of National Defence) moved:

That the Standing Committee on External Affairs and National Defence be empowered to hear evidence and consider Canadian policy with respect to future defence co-operation with the United States in the North American region with particular reference to air defence and related arrangements embodied in and flowing from the North American Air Defence Command (NORAD) agreement, and it shall report thereon no later than December 31, 1980.

He said: Madam Speaker, first of all I would like to thank the other parties in the House for their co-operation in allowing this committee to discuss this motion, probably at least during the summer, to prepare for resumption of the session in the fall.

[*English*]

The North American Air Defence Command agreement between Canada and the United States was first concluded in 1958 and then renewed in 1968, 1973 and most recently in 1975 for a five-year period which expired on May 12, 1980. On that date, by means of an exchange of notes, the 1975 agreement was extended for a period of one year. The purpose of the extension is to allow a review by the Standing Committee on External Affairs and National Defence of the NORAD agreement and related arrangements as set forth in the accompanying motion.

The agreement provides for the joint North American Air Defence Command through which Canada and the United States co-operate in aerospace surveillance and warning systems and integrated operational control of North American air defence forces, but it does not specify the nature or level of the resources each country should contribute to the common aerospace defence effort. National contributions are determined by each government, often following intensive bilateral consultations.

NORAD operates within the framework of the North Atlantic Treaty, and it has always been perceived by both countries and by our NATO allies as a symbol of Canada-U.S. co-operation and as a valuable contribution to the over-all security of the NATO area.

[*Translation*]

At the present time, NORAD has highly effective and economical land, air and space detection and communication systems which can signal the attack of missiles or bombers against North America, prevent unauthorized aircraft from entering the North American airspace, monitor strategic and tactical space operations, and detect the re-entry in the atmosphere of objects from space which represent a hazard for human beings and the environment.

[*English*]

In its deliberations following from today's motion, the SCEAND may wish to examine or receive evidence on the following topics which are relevant to our co-operation with the United States in the Canada-U.S. region of NATO, and in particular to the arrangements flowing from the NORAD agreement: the changing strategic balance and implications for the stability of mutual deterrence; prospects for strategic arms control and the peaceful use of space; the strategic-aerospace threat to North America: past, present and future; strategic-aerospace defences in North America: air defence, passive space defence, active space defence ballistic missile defence; the place of NORAD in strategic defence: recent and planned or potential changes to the organization, roles and force structure of NORAD; Canada's contribution to NORAD; responsibility and cost sharing in NORAD; other elements of Canada-U.S. defence co-operation in the North American region; North American defence co-operation linkages: Canada-U.S. relations generally, defence outside North America, control of civil air traffic, surveillance of space.

[*Translation*]

I am sure, Madam Speaker, that in considering those matters and all others they will deem necessary to consider in order to fully understand the agreements on the defence of North America, the committee will be doing something very useful for Parliament and the Canadian people as a whole. The government hopes that the committee will report without delay, so that their recommendations will prepare the ground for the negotiations regarding the ongoing Canada-U.S. co-operation on defence.

[*English*]

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the minister did not read the wording of the motion, so I assume it is exactly the same as motion No. 4 under government business on the order paper which is, for all practical purposes, exactly the same as an entry on the order paper of December 7, 1979, in happier days. So we cannot complain too much about the wording of the order, it being so close to identical to our own. The only change is in the date. Instead of being returned by the end of March, 1980, the committee is to finish its findings by December 31, 1980. It seems as if there is more time, and yet I doubt it will be enough and perhaps the

minister would be willing to entertain some amendments to that later in the year.

I should like to say a few things about this motion. Besides the change in date there are several other things which need to be considered by the committee. I am particularly concerned, and tomorrow will be looking at today's *Hansard*, over the number of extra things which the minister added in his remarks, particularly with reference to space. I take it that by space he means generally outer space, the peaceful uses of space, space defence, and space surveillance. These are words which trigger a reaction in me, and I am sure in most hon. members—that we are moving quite a bit beyond the air defence of North America, and if we are going to do that we want to understand what we are getting into.

Among other things, we are getting into a very expensive infrastructure possibility. One only needs to worry about that by looking at the airborne warning and control system which the Liberal government got us into a couple of years ago, following which we found out that we have no control over expenditures. We are faced with paying a fixed percentage of an unfixed amount and we have no Auditor General who would look at the AWACS agreement whithin NATO and no Auditor General, so far as I know, who might look at a treaty change with NORAD, if there were such a change, which would leave us paying a fixed percentage upon unspecified costs of the NORAD infrastructure. The committee should be particularly alert to that possibility and the danger of committing us to unfixed amounts.

One thing that we need to get from this committee is a much clearer definition of the roles of the various appointments to and parts of NORAD than we have at present. There has been a vast change in the organization of NORAD in the last five and a half years since we last looked at this, such as the disappearance of the air defence command and the changed roles of the strategic air command because that command has changed completely. These changes were made without Parliament being consulted. I should like to see the new treaty or the re-signed treaty which this party supports in general. I do not know what my friends to the left might have to say about that, but in general we support the re-signing of the treaty now, subject to these suggestions.

The problem that we have is that NORAD have made changes in their organization without our getting them back for consideration by the Parliament of Canada. I should like to see that worked into the re-signed agreement.

The most important thing we established five and a half years ago is that this treaty should always be subject to parliamentary review. The minister of the day was opposed to that and thought it should run along until there is some reason for changing it or having it considered by Parliament. I will certainly encourage the committee to come up with a fixed term of probably five years when it should be reviewed by Parliament.

• (1430)

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I welcome the opportunity to make a few comments on this referral. I am particularly pleased that this matter is being opened up for review by members of Parliament, because since taking office the government has shied away from reviews of our country's over-all policy in both foreign affairs and defence. Instead, the government seems to change its policy on a day to day basis. In this week alone we have heard from the Minister of National Defence (Mr. Lamontagne) that he favours the increased build-up of a new sophisticated nuclear weapon for use as a deterrent, and then a day later we heard from the Prime Minister (Mr. Trudeau) that such is not the case and Canada is as firmly committed to disarmament as it ever was. There seems to be an interesting dynamic in the Liberal caucus, a dynamic that perhaps could best be resolved by a clear, definite policy toward defence in the form of a white paper review.

I should like also to draw to the attention of hon. members the fact that presently my party is undertaking a thorough review of its foreign affairs and defence policies in order to make sure that they are in tune with changing world affairs and events. Circumstances do not remain the same in perpetuity. We in the New Democratic Party realize this and hope that the government, and perhaps the members to our right, would also realize this and not dismiss such reviews as being boring and a lot of needless paperwork.

I believe the traditional reservations of the NDP concerning NORAD are well known to members of the House. We have often in the past questioned the need to defend ourselves against manned bomber attack from the Soviet. In the time it would take such a bomber to reach its targets, the world would have been destroyed four or five times over by intercontinental ballistic missiles. The role of intercepting manned bombers in an age of ICBMs is nearly as useful today as the armour worn by English knights would be as protection against the bullets from a machine gun.

Others have said that the existence of military alliances such as NORAD are contributing factors in heightening world tension. Indeed, recent events where a computer mistaking a goose or a flock of geese for an enemy bomber put North American air defence on red alert and brought the world to the brink of self-annihilation should give us all cause to question how appropriate NORAD is in its present form.

Canada has only limited resources, and we must be careful that they are spent as wisely as possible. We have assigned such a wide array of tasks to our military forces that they are now strained to the limit of their capabilities to cover all bases. Canada is not now and is not likely ever to be a military superpower. There are those in this House who believe that we need all the trappings of a military superpower. A country the size of Canada, with its population accepting all the trappings of a military superpower, is similar to a young boy who dresses up in his father's work clothes. Because he is not big enough, everything hangs strangely and looks out of place. The boy looks like a caricature of the person he is trying to imitate. So

too, I submit, Canada would look like a caricature if it were to surround itself with the trappings of a superpower.

We must take a serious look at our role in world affairs and the contribution we can make with our limited resources. We should not try to be all things to all people, but instead should concentrate our defence efforts in those areas that would best serve our national interest.

The process of reviewing our alliances such as NORAD is a positive one. It gives us the opportunity, at least in this area, to review our present commitment of resources. As I mentioned earlier, I believe this government should be reviewing its entire policy on defence. However, this faltering first step at least is acceptable and I welcome it.

Motion agreed to.

* * *

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

Hon. Yvon Pinard (President of the Privy Council) moved:

That, when the House adjourns on July 18, 1980, it shall stand adjourned until October 15, 1980, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

[*English*]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Pinard: If it is carried, we will go on to the next item.

[*Translation*]

Mr. Knowles: Not yet—

Mr. Pinard: Mr. Speaker, today is the sixty-fourth day of the first part of the first session of this Thirty-second Parliament and I am delighted to be able to say that during those 64 days we have accomplished more work than we did in the course of both preceding sessions. I shall explain myself, Mr. Speaker. During those 64 days the House of Commons had to face the commitments which had been emphasized very eloquently in the Speech from the Throne. You will remember that the Speech from the Throne stated, and I quote:

Canadians expect much of this Parliament. The country asks for action and action now. The first task is to clear the accumulation of essential legislation left from previous Parliaments. This backlog must be dispatched expeditiously so that the affairs of the state may be put in good order. To that end, my government is relying on the good will of members and senators of all parties.

Today, Mr. Speaker, I am happy to be able to say publicly that indeed the wish expressed by the Governor General in the Speech from the Throne has been fulfilled thanks to parliamentary spirit and co-operation of all members on both sides of the House. Of course, some would have liked to see additional legislation or measures other than those which were introduced to be debated and passed. However, in our responsibility as government we had to take into account the fact that the country had held two elections within a year and that Parliament having failed to sit without interruption, there was an accumulation of legislation. There was disorder in the House in the sense that it was absolutely essential and urgent to pass at least 15 bills which had acquired a technical urgency.

As an example, and to quote only a few of them, it was urgent to adopt Bill C-2 to amend the Immigration Act. It was equally urgent to amend the Small Businesses Loans Act, the Employment Tax Credit Act, the Fisheries Improvement Loans Act and the Farm Improvement Loans Act. All these measures, Mr. Speaker, were necessary to meet the needs of the people and of various classes of society, so that people could benefit from funds made available to certain categories by virtue of some acts which were expiring. So, at first we were facing that accumulation of legislative measures resulting from two elections, and it was our responsibility as a government and it was the responsibility of all of us as parliamentarians to try in the first few weeks, in the first few months, to prevent this new Parliament from making mistakes, to help it be responsible and to pass those pieces of legislation after reasonable debate. This is what happened.

● (1440)

I am pleased to confirm and to report what most of my colleagues know by now, namely, that since April 15 the House has permitted royal assent to be given to 25 bills instead of the 15 mentioned. Among those bills are not only those which were technically urgent but some which enabled the government to implement the most important electoral commitment they made, namely, to increase the guaranteed income supplement for older citizens. We succeeded through all those accumulated pieces of legislation, with the co-operation of all parties, to pass that bill which raises the guaranteed income supplement of our senior citizens, of those who are least able to protect themselves against inflation and the economic problems countries such as ours are experiencing. We have also succeeded in the present constitutional context, besides more technically urgent legislation, in securing the contribution of all parties to adopt "O Canada" expeditiously, after all those years, as the national anthem of a country we all want to be united and stronger.

And, Mr. Speaker, we have also been able to rearrange the parliamentary schedule of supply business. If I were asked as government House leader to point to the most important

measure, policy or agreement during this first session, I would not hesitate at all to indicate the major agreement concluded about supply business. My colleagues the House leaders of the other two parties will agree that the most complex procedure in our rules is that of supply.

Because there have been two elections in one year, not only had estimates for last year not been approved by Parliament but those for the current year could not be approved either, outside a time frame like that which is normally provided for under our Standing Orders. To put it another way, because the estimates for the current year had not been tabled in due course on account of the date the election had been called and the date Parliament had reconvened, none of the provisions of the many sections and paragraphs of our Standing Orders dealing with time limits and fixed dates for the adoption of supply bills, and none of the provisions providing for natural, legal and time honoured cutoff dates could apply, due again to the fact that the election had been held on a certain date and that the main estimates had not been tabled at the proper time.

Parliament was therefore in a very confused state. Theoretically, the opposition parties could have taken this opportunity to debate endlessly any item of the estimates, under any department, without any time limit. Parliament could have sat for weeks and months, without any control other than that provided for under Standing Order 33, which is not the most popular section on Parliament Hill, namely, that the government has the authority to use closure to put an end without notice to any debate in the House, thereby preventing members of the opposition from expressing their views as fully as they would care to.

So fortunately we did not have to use Standing Order 33. The opposition parties through their parliamentary leaders, after lengthy but harmonious discussions, made it possible to reach in due time that major agreement I referred to earlier. I say it is a major agreement because we were in a situation where there was absolutely no order possible in this House on the business of the House unless we used the real guillotine which would have created a commotion, poisoned the climate and compromised seriously, I have no hesitation to say, the passage of other bills which had become urgent. What made that major agreement possible and was making it even more important is the fact that we needed interim supplies by May 15 when the Governor General's warrants allowing the government to spend and administer expired.

There again, the agreement was all the more crucial as it had to be reached in the month following the opening of the session, that is before May 15, and we were limited by time and the understandable psychological predispositions of opposition members, following the change in government, but despite all those obstacles, those time limitations, that psychological stress, the parliamentary spirit prevailed—and I have no hesitation to say so—and the parliamentary leaders came to an agreement which deserves to be pointed out and which made it possible not only to put order in the business of supply, but we were able to set a very orderly parliamentary timetable to work in a reasonable and to a certain extent innovative way. Indeed the House will have to sit for six days in Committee of the Whole this fall to consider estimates but not only was some order put in the business of supply but at the same time allowed the climate to remain favourable to doing legislative work and, as I mentioned earlier, the passage of 25 pieces of legislation that were absolutely essential for most of them and the others will allow the House to be free this fall to dispose of other measures such as the ones we introduced yesterday, namely, the access to information bill, the bill to turn the Post Office into a Crown corporation, and many other economic and social measures to come.

So, Mr. Speaker, I put my finger on what I consider to be the major development in that first session. Even if there is agreement on the business of supply, that is no excitement for the public. Even if there is nothing glaring about that agreement, it is not a scandal, it is not a sensational measure but a parliamentary measure that is basically essential, crucial, not only to draw up our schedule so that we can dispose of the business of supply, but also to develop a spirit of co-operation, a true parliamentary spirit such as we have known in the last weeks.

As concerns the achievements made in this first stage of the first session, I referred to the 25 bills that have been passed, I referred to the parliamentary schedule for the business of supply. There is also our experiment with parliamentary task forces that my knowledgeable colleague from Nepean-Carleton (Mr. Baker) likes to call, quite rightly, special committees of the House of Commons. And the House knows that they are actually parliamentary task forces consisting of a smaller number of members. There are six now at work in six different fields of public interest and they are instructed to act rapidly and report to this House within a limited period of time, by December 19, and they may help us to find out how we can make full use of the talents of all hon. members from every region of the country, and more particularly from western Canada.

● (1450)

I think the conclusion of this agreement for the setting up of parliamentary task forces in the course of the first part of the session is an event which deserves to be underlined because it was the result of co-operation between all parties in this House. We must stress that the climate in which we worked has been unusual. Several of us have worked twice as hard, Mr. Speaker, as we were actively involved in a campaign of major importance for the future of our country and I am talking of course of the referendum campaign in Quebec. The first part of the session ran parallel with the pre-referendum campaign and the referendum campaign itself and a very large number of hon. members representing all areas of Canada

have directly or indirectly helped bring about the wanted results of the Quebec referendum either by way of their personal and direct involvement in the field or by way of their attitude here in the House or by way of the very nature of their contributions in this place or by way of the things they did or refrained from doing. I take this opportunity to stress the merit which the parliamentarians of this House deserve for having contributed to our victory in the Quebec referendum.

We had the twofold responsibility of putting our country's affairs in order, at least with regard to the backlog of procedures and legislations. We had the twofold responsibility governing the country on the one hand and on the other being involved in a crucial campaign in order to secure Canada's unity and this country's survival. I think that on both sides of the House we have all taken our responsibilities to heart, and we did make the necessary effort which was met with the success we all know and which is a credit to all parliamentarians. But I would be remiss if I did not emphasize the tremendous work done by the very great majority of the hon. members for the province of Quebec in that respect.

Then, when we consider the volume of business I just summarized, this first part of the session may not appear to be sensational for certain people. They would say that Parliament did some business but it was dull. For sure, there has been nothing outstanding, there has been no scandal nor perhaps the kind of debates we have seen when the Canadian flag was adopted. However, there is a fact we all must admit, and it is that during its first two months of existence this Parliament has been very efficient. This government has behaved responsibly. This has to be said of Parliament also, not just of the government. And when I say that Parliament has behaved responsibly, this implies that members on both sides of the House who of course do not always agree with what we are doing, who have criticized some of our bills but have never abused their right to criticize, considering that the country had been through two elections and that it was urgent to dispose of some business to which I referred earlier.

To conclude, Mr. Speaker, I would like to convey my special thanks not only to members of this House but also to the senators, Madam Speaker, her assistants, the officers at the table and all the officials of the House of Commons as well as the pages who have all been very efficient and quite devoted and who at this time of the year, either on account of their children, their parents, their families, their spouses feel the need to withdraw and lead a normal life, whether they be members, employees of the House of Commons, members of the Press Gallery, the media or the public, most of whom are already on holidays or are going to be soon.

Mr. Speaker, I want to thank all those people who helped make Parliament during this first stage of the first session so productive and responsible and I am sure that all my colleagues on this side of the House will join me in extending to all those who deserve them and whom I have just mentioned my very special thanks.

Finally, I wish to deal with one question but I see that the hon. member for Winnipeg North Centre (Mr. Knowles) is absent—no, he is here. I am addressing my remarks especially to his party through him who knows the parliamentary spirit which induced us to co-operate as parliamentary leaders during this session and this comment, of course, is also aimed at the hon. member for Nepean-Carleton.

He knows the extent to which there has never been any desire on this side of the House, neither, I believe, on the Conservative side, but my colleague will speak on their behalf, will be tricky. Admittedly, it would be hard to fool the hon. member for Winnipeg North Centre where procedure is concerned, in view of his long experience and wide knowledge of the rules. However, we have always refrained from attempting to take advantage of hon. members by resorting to procedural games, and as House leader it has always been my policy to use an open and straightforward approach, which up till now has been producing results. I would like to tell him this afternoon with the same open and straightforward frame of mind, that I am fully aware, after hearing the statements made up to this point by his leader, for whom I have much respect, by himself or by other hon. members, that he is looking for a way to tell the public at large, for reasons known to his party, his opposition to a government policy very well known to him.

The adjournment motion is a means by which his fellow members can make their points. One of many means, because up to this point, this week at least, during the question period, on the eighth day of the throne speech debate yesterday, following the statement made by the minister yesterday evening until 11.30 p.m., when every contribution had been made and nobody asked to be recognized, and today again, at least until four o'clock and later if his party so desires, he can have all the time required to fully express his views.

Mr. Broadbent: Monday, Tuesday or Wednesday!

Mr. Pinard: So what I would like to tell the hon. member and his colleagues, and the hon. Leader of the New Democratic Party (Mr. Broadbent), is that there is no rule we could apply to prevent the New Democratic Party from requiring the hon. members on both sides of the House, the staff employees of the House and all those who are interested in our debates, either the media or the public, to come back next Monday, if such is the wish of the New Democratic Party. Clearly then, there is no authority whatsoever in our rules under which I, as House leader, or any member here could force the hon. members to adjourn today. In other words, if NDP members want to return next Monday at all costs, nobody can prevent them. That is quite clear and I am aware of it. However, there are rules which allow members to sit beyond the regular sitting

hours. Today is Friday. It is the last day of the week and usually the House does not sit on Friday evening. I for one, and I speak only for my party because I do not wish to involve the Progressive Conservative Party, believe I speak for all my colleagues on this side when I offer, if NDP members deem it necessary, to extend the sitting hours indefinitely today so as to allow all members who want to speak today to do so. My learned colleague, the House leader for the New Democratic Party, is well aware that any matter of government policy may be dealt with on the adjournment motion. NDP members may take advantage of that motion to speak on any other subject, either on the veterans' pensions we willingly granted a short time ago with the co-operation of all parties, or on the Alaska pipeline or on the $35 paid to pensioners by the Liberal government. I repeat that we are prepared to allow NDP members to sit indefinitely today until they have fully made their point on one or several government policies. Once again, they are free to accept or reject our proposal, that is their political judgment. We, as members of Parliament, shall have no choice but to return next Monday, if such is the wish of NDP members.

So, Mr. Speaker, I simply want to reiterate my thanks to all those who deserve them, and remind the House of the parliamentary spirit that has prevailed until now, banking of course on that of the New Democratic Party, so that we can, in orderly fashion, without abuse and humanely, discuss fully a matter of interest to them, without in any way penalizing unduly people who do not share their views, all the more so when their objections concern measures that have been passed according to parliamentary rules and an act passed by this Parliament.

So, once again, Mr. Speaker, in closing I express the wish that, with regard to the future, hon. members of all parties will take advantage of the summer break, whether it starts today or next week, to reflect seriously on what amendments could be made to some of our rules with a view to ultimately making this Parliament, while respecting its spirit, of course, more efficient, more modern and also more humane.

• (1500)

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Mr. Speaker, before beginning my remarks on this motion may I take the opportunity while I am on my feet to correct what might have been a misimpression flowing from remarks I made on a procedural matter earlier this day. I was commenting on the fact that I did not at that moment have in my hands copies of *Hansard*. I would not want that to be interpreted as a criticism of the *Hansard* staff. As the House well knows, we sat exceptionally long hours last night, and if there is fault to be assigned for *Hansard* not being ready for the 11 a.m. session, it is with those of us who speak, rather than with the reporters who record the proceedings of this House.

Some hon. Members: Hear, hear!

Mr. Clark: Let me make some beginning remarks in response to the observations of the President of the Privy Council (Mr. Pinard). I think that he will allow me, and that the House will agree, to congratulate him on a very graceful act of self-congratulations for the manner in which matters have been proceeding through the House. I will have a little more to say on that in just a moment.

Before doing that, however, Mr. Speaker, I want to turn to the proposition that he has made to the New Democratic Party regarding the possibility of this House not seeing the clock tonight and allowing members of Parliament who want to speak on the adjournment debate to have an exceptionally long Friday. Certainly, on behalf of my colleagues in the official opposition, I can say that arrangement would be acceptable to us. We would agree to a procedure of that kind if it were to be proposed and necessary.

Some hon. Members: Hear, hear!

Mr. Clark: Let me deal now with some of the matters that the President of the Privy Council, the House leader of the government, raised. He talked about the legislation that has been brought forward. I will say on his behalf that he had the good grace to admit that most of the legislation was proposed and prepared by governments other than his own. He admitted that indeed what this government has done, primarily, in this first session of a majority Parliament, when the nation faces urgent issues, is deal with housekeeping matters, with matters that were already prepared, with matters that would have been brought forward in any event. There has been very little indication of any new initiatives by this government.

I must say in passing that I noted with a certain humour that the President of the Privy Council took credit for the special committees of Parliament looking into matters which are of interest to members of this House. He well knows, and members well know, and students of the parliamentary process should know, that what this government tried to do was run around the rules of Parliament by establishing task forces that will report to ministers and not to Parliament. It was only after pressure from this side of the House, and this party in particular, that the government followed the rules and practices to respect the privileges of the House of Commons. Instead of having task forces which answer to ministers and could then be forgotten, the government reverted to establishment of special committees of the House of Commons which will report to the House and whose recommendations will be debatable by the whole House under the eyes of the country.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: I hear the hon. member for Regina West (Mr. Benjamin) who speaks much more often and much more eloquently from his seat than on his feet—

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I can anticipate the hon. member's point of order, and I am prepared to hear him.

The Acting Speaker (Mr. Blaker): Order, please. With respect to the comment of the right hon. Leader of the Opposition (Mr. Clark) that he can anticipate the point of order, so can I, but it is the right of the hon. member for Regina West (Mr. Benjamin) to put his point of order.

Mr. Benjamin: On a point of order, Mr. Speaker, what I want the Leader of the Opposition (Mr. Clark) to do is to expand upon the business of task forces reporting to ministers and governments only. He could also explain about the task force of the hon. member for Moose Jaw (Mr. Neil) last year.

Mr. Clark: Mr. Speaker, I correctly anticipated and I am interested to note that the hon. member for Regina West is continuing to try to put obstacles in the path of efforts taken by my government to increase rail line service and grain transportation movement in the prairies of Canada. That was a major initiative taken by our government. It was an initiative that was opposed throughout by the hon. member. I am pleased to see that he continues to take his position against the interests of the grain producers of western Canada on his last day in the House this session.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Regina West on a point of order. May I indicate to the hon. member that he, or any other member of the House, has the right to call upon the Chair to recognize a point of order. In courtesy to whatever member may be speaking, however, and in the present case it is the right hon. Leader of the Opposition, one hopes it is a point of order and not a point of debate.

Mr. Benjamin: That is true, Mr. Speaker, but the hon. Leader of the Opposition has just distorted the entire position of the party of which I am a member, as well as my own position.

An hon. Member: That is not a point of order.

Mr. Benjamin: Our position was—

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Regina West sought the floor on a point of debate, not a point of order. I specifically requested that if there is to be a point of order it ought to be just that—a point of order. That was not a point of order.

Mr. Benjamin: Mr. Speaker, the hon. Leader of the Opposition quoted me as saying that I continued to oppose the position of the prairie grain producers. I said no such thing at any time.

An hon. Member: Get up and debate it.

Mr. Benjamin: The hon. Leader of the Opposition is totally out of order. He is not telling the truth.

Some hon. Members: Oh, oh!

Mr. Benjamin: The Leader of the Opposition only has to reply to the point of order that I originally raised about task forces that report to ministers only, which is exactly what he had last year.

The Acting Speaker (Mr. Blaker): Order, please. I say again that the hon. member for Regina West is entering into debate. I would ask him to be so kind as to co-operate with the usual procedure of the House and permit the right hon. Leader of the Opposition to continue.

Mr. Clark: Mr. Speaker, I was not distorting the position of the hon. member. I was simply reviewing it and recalling it to his mind. I am not at all surprised that he is unhappy when that is done. He would also be unhappy were I to recall to his mind the positions, in the plural, of his party on NATO, the positions, in the plural, of his party on NORAD, and the positions, in the plural, and the contradiction of his party on the Quebec referendum. We could do that, but I do not intend to spend very much time reminding the New Democratic Party of the inconsistencies that have become a way of life with them.

Some hon. Members: Hear, hear!

Mr. Clark: What I wanted to deal with instead was some of the records of the government and indeed, in my opening remarks, some of the matters that were prepared and ready to be introduced by the government I had the honour to lead. For some peculiar reason those things have disappeared and have not made their way to the legislative agenda of this House. I think, for example, of the beef import law which was ready for introduction last year and of which nothing has been seen. In light of the references of the President of the Privy Council to his interest in parliamentary reform, I think of the very comprehensive package of parliamentary reforms that had as a purpose not the convenience of the government but the powers, the rights and the respect of individual members of Parliament. That package was introduced by our government, but nothing has been seen of it.

I think, for example, of the proposal we made to have an open, public inquiry, into all aspects of nuclear energy in this country, instead of a silent, quiet, private, hidden inquiry by officials of the Government of Canada who have the most to hide. We believed in openness. We acted on openness, and they have acted in the exact opposite direction. Or we could have spoken about the committee on voluntarism designed to try to have the Parliament of Canada recognize the great damage that is being done to the spirit of Canadians by the growth of bureaucracy, both public and private, to have the Parliament of Canada address directly the problems and the potential of encouraging more individuals through voluntary organizations to play a larger role themselves in the development and in the improvement of our Canadian society. That was a parliamentary special committee proposed by the government of which I had the honour to be leader, a parliamentary committee on a

matter which apparently is of no interest to the government now in office.

• (1510)

There is a long list again. I am reminded of the report of the public accounts committee today. The Conservative government established a special committee to look into the very serious problem of cost overruns. That was a committee which would have allowed full public discussion of that important public question which this government has abandoned. It has ditched that idea. I note with interest the unanimous report of the public accounts committee of this House of Commons which was brought down today. It recommended again explicitly that the committee on cost overruns which we established, which this government abandoned, should be established again and established immediately. Certainly that is a view which this whole party supports, as well as being the unanimous position of the public accounts committee of the House of Commons.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: I have to draw the attention of the President of the Privy Council to the fact that, though a number of bills have been passed by the Canadian Parliament, several others mentioned in the Speech from the Throne, and others proposed by ministers during the debate on the Speech from the Throne, have yet to be introduced. We were promised amendments to the legislation on the Royal Canadian Mounted Police; we have yet to see them. Proposals were made on setting up a Crown corporation for exporting agricultural products; no bills have been introduced. Other legislation was promised by the government which, to date, has not yet been introduced in the House of Commons.

[*English*]

I must say one thing about one piece of legislation that was brought in yesterday, and I will say it in a complimentary way. I am very pleased by what I have seen. While I have not had an opportunity to review the freedom of information law tabled yesterday by the Secretary of State and Minister of Communications (Mr. Fox), I think it is also true to say that there is no doubt in the world that that freedom of information bill would not have been introduced by this government in this Parliament had it not been for the work, through several Parliaments, by the former member of Parliament for Peace River, Mr. Ged Baldwin—

Some hon. Members: Hear, hear!

Mr. Clark: —and the presentation as a priority measure of a freedom of information bill in the name of my colleague, the House leader of the official opposition, the then president of the privy council, namely, the hon. member for Nepean-Carleton (Mr. Baker).

There is one other matter on which I must comment, and perhaps I will return to it a little later on in my remarks, Mr. Speaker. The President of the Privy Council talked about what he called the campaign for the future of the country. He suggested perhaps that campaign occurred at a point in the past in this session. I make it very clear to him the view of this party and that of my colleagues, that the campaign for the future of the country is not at all a thing of the past. It is not at all a period of the past. The campaign for the future of the country is a matter which must be a preoccupation of all of the members of this House of Commons. I add this: that it is not simply a question of dealing with matters raised in a referendum, and it is not simply a question of dealing with concerns that were raised in the province of Quebec.

The campaign for the future of this country must be a campaign which takes real account of the special requirements and the special sensitivities of Canadians in all regions of this country, and of times that are not limited by a referendum debate established by one party, one government in one province. That campaign for the future of this country continues. I must say, as I will be indicating a little later on, as someone who had the honour to take part in the referendum debate in the province of Quebec, that I am personally concerned that many of the actions of this government have reflected an insensitivity to the problems and to the aspirations of western Canada that could do very serious damage to the capacity of Canada to heal and to grow together.

Some hon. Members: Hear, hear!

Mr. Clark: The President of the Privy Council indicated that the government had made some progress in clearing up what had accumulated in the past. This Parliament, of all parliaments, should not be content with clearing up what had accumulated in the past. We have here a majority government, a government that does not have to be preoccupied with the matters that preoccupied my government that ultimately brought us down. This is a government that has a mandate, not as to platform because it ran without one, but at least it has a mandate to act, a mandate as a majority government in this House of Commons to face directly the major problems and the great potential this nation faces. That is the mandate, and that is the unique and historic opportunity which this government has.

The President of the Privy Council quoted from the Speech from the Throne and the reference which spoke then about much being expected of this Parliament. As I said earlier in this session, much is expected of this Parliament. But, in particular, much is expected of this government. This is a majority government. This is a government which has not yet changed the rules of Parliament to democratize Parliament, so consequently this is a government which controls Parliament. If this government is not prepared to show leadership, this Parliament will not be able to show leadership. I make the point to the President of the Privy Council and to such of his colleagues as who are here that there is an onerous obligation upon him and upon his colleagues in government to do much

more than housekeeping. They must face the urgent problems and the potential that exists in this country. I do not want to have another session of this Thirty-second Parliament that dedicates itself to anything but housekeeping.

Some hon. Members: Hear, hear!

Mr. Clark: I think it worthwhile reviewing the manner in which the Liberal government has acted in the last seven months, seven months of a majority government, to correct the problems which it faces as a nation and which challenge this Parliament. In the seven months since the Trudeau government was elected and assumed power, the deficit in Canada has grown by $3.7 billion. Since February alone another 51,000 Canadians have become unemployed. Inflation, as the figures cited today indicate, has now reached double digit proportions in Canada for the first time in almost five years. Virtually every economic forecast concludes that the economic situation will worsen significantly before it improves. The point which the government apparently does not understand is that one of the major contributing factors to economic problems in this country is the absolute lack of clarity as to what are the economic intentions of this government.

What does it intend to do? What is the government's attitude toward inflation? What policies will this government introduce? When will we have a budget? When will there be an economic statement? What is going to happen to indexation? All of these questions which deal directly with the ability of individual Canadians to make their plans, to live their lives, to build the country, all of these questions are cast in shadow. Since February the Liberal government has given no indication of any consistent economic plan or program. Neither has it given an indication of having any on its agenda.

Of course one of the other major problems which the nation faces is that both consumers and producers of energy in Canada are faced this many months after the election in February with increasing uncertainty regarding the price of petroleum—prices are being increased by stealth two cents at a time—and regarding security of supply. Any government confronted with these difficulties ought to be prepared to act honestly and openly to correct the problems. In fact, as I mentioned, the throne speech held out for Canadians the hope and the promise that this government was finally prepared to act. It promised and I quote, "that the deficit would be reduced in a planned and orderly way". That was one promise in the throne speech. Another promise in the throne speech was, and I quote, "security of energy supply at a fair price for all Canadians". Security of energy supply at a fair price for all Canadians! Again quoting from the speech, "the burden of economic sacrifice would be shared equally". Well, the record of this government on any of those questions has not borne out its promises.

• (1520)

What has this government done with its brand new majority mandate? There has been no budget. There has been no energy agreement. There has been no sense of direction, no effort to correct the drift of the last seven months. What has the government been doing? Well, Mr. Speaker, the largest amount of legislative time in the House of Commons has been devoted to a bill to borrow an additional $12 billion. I make the point that this comes from a government which said, a brief six months ago, that only $3.5 billion was required. In opposition they said $3.5 billion; in government they want $12 billion. That is the legislative item which has consumed the greatest amount of time in the House. The spending deficit of the government will be $14 billion. Apparently that is a "planned and orderly reduction" as promised in the Speech from the Throne!

What else have they done? Well, they have introduced, perhaps in a way which is illegal, perhaps in a way which violates the law of the land and would hold the Crown open to suit, a levy on Syncrude products which would increase the price of gasoline by two cents a litre but also applying to home heating oil and other fuels which were exempted from the taxes and the levies anticipated and announced by the Progressive Conservative government last year.

My hon. friend from Kingston and the Islands (Miss MacDonald) raised a question eloquently the other day about members of Parliament from Atlantic Canada. Why were they not speaking out in protest against the increase in home heating fuels for elderly Canadians in Atlantic Canada, for elderly Canadians in the province of Quebec, for elderly Canadians anywhere whose circumstances are too straitened to allow them to adjust to this increase in the cost of home heating fuel, snuck in by a government that won its way to office by promising there would be no increases, or smaller increases in the cost of energy? That promise to the widows of Wolfville, to the low income Canadians across this country, has been cavalierly broken and broken in a way which may breach the laws of this land.

Some hon. Members: Shame!

Mr. Clark: They introduced as well an employment tax credit which provides no incentives to target the creation of employment for women, for young people, for natives, for the handicapped. So much for the promise of this government—and I quote again—"to meet the needs of these groups who face special problems in finding jobs". Those people are talked about at the time of campaigns and talked about by the Liberals at times of throne speeches, but their concerns are not reflected in the legislation brought before the House of Commons. That is shameful neglect and shameful duplicity by this government.

Some hon. Members: Hear, hear!

Mr. Clark: Finally, the government smuggled in an economic statement which failed to provide any new initiatives to get the country working again. The Minister of Finance (Mr. MacEachen) at that time told the House he would—and I quote him—"consider measures that will distribute the burdens of both unemployment and inflation more equitably." Yet in that smuggled budget he brought in he neglected the

opportunity to introduce tax incentives brought forward in my government's budget which would encourage the growth of industry and the creation of jobs in areas of regional disparity already bearing much more than their share of unemployment.

What measures has the government introduced to deal with inflation? What have ministers been considering? Well, they have been considering one item in particular on the question of inflation, and that has been the prospect of bringing to an end the system of indexing in this country. This will have two effects upon the people of this country. One, it will swell the revenues of the Government of Canada by a back-door tax, a tax that makes the Government of Canada a profiteer out of the inflation it is supposed to be fighting. That is one thing it will do.

The other thing it will do is this: the attempt by the Liberal party to end indexing, the attempt they are studying and planning to implement today, the attempt they refuse to repudiate, this attempt by the Liberal Party of Canada to end indexing will place a particular burden upon lower income Canadians. It is a most inequitable tax, it is a tax upon the poor, and I am shocked and chagrined to find that the Parliamentary Secretary to the Minister of Finance (Mr. Evans) should sit laughing in his place while we discuss a tax which will put a special burden on low-income Canadians.

An hon. Member: Look, he is just sitting there laughing about it!

Mr. Clark: In fact the typical taxpayer in Canada would see his or her taxes rise by $1,564 between now and 1985 if the Liberal government proceeds with this proposal which it is actively considering now. This proposal would sneak in a tax increase which would hit hardest at the poorest in the country.

Mr. Speaker, I want now to talk at some length about a major question which has not been addressed by this government, one which has not been addressed since February, a problem which our government addressed directly and fully during the period in which we held office. That is the question of energy. This Liberal government has been guided in its energy policy by two considerations which have nothing to do with the energy security of Canada and which have nothing to do with the energy opportunities for Canada. I suspect, with the deepest of regret, that one of those considerations is the temptation to use legitimate differences over energy prices as a means to inflame the opinion of the majority of Canadians who live in consuming provinces against the minority of Canadians who live in producing provinces. To do this cynically in the interests of building a case for a certain kind of constitutional reform is totally unacceptable.

There is so far no firm evidence that that is the motive of the Liberal party. However, in recent days we have heard Liberal members of Parliament proposing that fundamental national policy on pricing be directed by public opinion polls on resource jurisdiction, however deeply that might rend this country, however deeply it might divide us. I can find no other reason for the failure of the federal government to negotiate seriously an energy agreement with Saskatchewan, with Alberta, with British Columbia, until a week before the expiry of the June 30 agreement; I can find no reason whatsoever for the failure of the federal government so far to have made any reasonable proposal to the producing provinces when there are only about two weeks left in the extended agreement. If there is a reason, it is well hidden. If there is not a reason, then there has been an absolute dereliction of responsibility, not simply to the citizens of this country but to the security of this country.

Some hon. Members: Hear, hear!

An hon. Member: What is your policy?

Mr. Clark: I am asked by members of the NDP what is the Conservative policy on energy matters. They know. They know, because they voted against it on December 13. What they voted against was more Canadian control over Canadian energy. And they applaud voting against that. They voted against security of supply for the Canadian community. And now they are applauding themselves for voting against security of supply. They voted against a tax credit for low income Canadians who needed the help to meet the price increases for energy which are inevitable. And now, that New Democratic Party, that haven of hypocrisy, is congratulating itself for voting against the poor, for voting against security, and for voting against Canadian ownership.

Some hon. Members: Hear, hear!

• (1530)

Mr. Clark: I notice that now Liberal members of Parliament opposite are applauding. They are applauding their action in voting against Canadian ownership, as the Liberal party voted against Canadian ownership on December 13. The Liberals are applauding themselves for voting against low-income Canadians because they voted against tax credits to low-income Canadians on December 13. The Liberal party, naturally, given their policy, is congratulating itself for voting against security of supply because that is what Liberal members voted against, and in that, clearly, they knew what they were doing on December 13 because they have shown no interest at all on any day since in making this country secure in our domestic supply of energy or in protecting this country against being a hostage to foreign nations in energy policy.

That brings me to the second consideration. It is a consideration which has nothing at all to do with energy security and nothing at all to do with taking advantage of the great energy opportunities of Canada. The second consideration which is guiding the Liberal government is simply Liberal party politics.

In the last campaign the Liberal party proposed an energy policy which hon. members opposite knew was dishonest. The Minister of Energy, Mines and Resources (Mr. Lalonde) admitted that last night when he introduced a gas export that he had opposed absolutely in opposition, and when he broke his word at least four times in relation to promises he made before the February election. Before the election the Minister of Energy, Mines and Resources and the Liberal party said

that gas exports of 3.7 trillion cubic feet to the United States were too high. That was what they said before the election. Last night they said they were too low. They broke their word on that question.

Before the election the Minister of Energy, Mines and Resources said, and I quote:

> Everything has to be signed, sealed and delivered, particularly the financing plan or the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

That was what he said before the election. Last night he broke his word and told us that the only thing which needed to be signed, sealed and delivered was a non-committal letter from the President of the United States.

Before the election, speaking on behalf of the Liberal Party of Canada, the Minister of Energy, Mines and Resources said, and I quote:

> There must be an arrangement for swaps in this agreement with the United States.

Last night and again today he broke his word and said there would be no swaps.

Before the election he called for, and I quote:

> —the initiation and completion of the Quebec and maritime gas pipeline.

Last night he admitted he had broken his word and is so far proposing a pipeline which goes only as far as the city of Quebec.

Those specific misrepresentations are important, and there no doubt are more misrepresentations. But what is even more fundamental is the attitude toward honesty of the Liberal party. I said often during the election campaign that in energy policy the difference between the Progressive Conservative and Liberal parties was not really a difference on price and not really a difference on exports but that it was a difference on honesty. We took an honest position, and the Liberal party took the opposite position.

Unfortunately, a casual attitude toward honesty has become the hallmark of this Trudeau government. There is, for example, an honest way to introduce a budget and there is another way, and this government chose the other way and not the honest way. There is an honest way to amend the Northern Pipeline Act and there is another way, and this government chose the other way and not the honest way. There is an honest way to change the levy in the Petroleum Administration Act and there is another way, and this government chose the other way to change that levy.

I will not give a long list of the commitments which were broken, but some come to mind. I was reminded the other day about the minister of Agriculture (Mr. Whelan). I wonder if there are government members here from the Niagara Peninsula. I see at least one. The Minister of Agriculture made a firm commitment to Ontario grape growers that he would change a tax to which they objected. It was a firm, unequivocal, and clear commitment. He then came back to office, and he broke his word.

The Prime Minister (Mr. Trudeau) promised that his spending would not exceed the real increases in gross national product. That was his promise during the election campaign. He broke his word, as it has become the habit of the Liberal party to break its word to the people of Canada.

Mr. Chénier: Look who's talking.

Mr. Clark: That casual attitude toward honesty damages the very fabric of Canadian democracy, but in no field does the failure to face facts honestly more endanger the future of this country than in the field of energy policy, because we are a nation with immense potential and immense good fortune. We are also a nation which is blessed by individuals who have gone out to acquire skills and who have turned their skills to innovation, to creativity, and to opening and building a land. That is part of the legacy of this great nation, but our good fortune cannot be allowed to obscure two fundamental facts. The first is that no one else will look after Canada. We Canadians have to build on our good fortune, and we have to do it ourselves. Sometimes that means taking hard decisions, and always that means honesty. If we back down from hard decisions, our country will slide down the scale of nations.

The second reality is that energy, which can be the source of Canadian security and success, can also be the cause of Canadian decline. If we build on our own resources, we can be the strongest nation in the world. That is if we build on our own resources, but if we expose ourselves weakly to the world, we can be cut down by revolutions in Iran, by invasions in Afghanistan, and by national decisions of foreign governments taken for their own reasons and with no thought of Canada in mind.

Any of us in this House of Commons who are honest and knowledgeable about the facts know the frailty of the world energy picture. We know that demand is rapidly exceeding supply in the world. We know that the foreign policy of the Soviet Union is focusing more and more upon securing energy supplies at whatever cost to world stability. Hon. members of this House of Commons also know that we in Canada are unique among nations in our ability to protect our future against hostile foreign decisions and to protect our future by making realistic Canadian decisions here at home. That is the reality facing any Government of Canada, but the response of Canada's two recent governments has been dramatically different. My government faced those facts and for the first time in post-war history in Canada prepared a comprehensive national energy policy which would build upon the energy strengths of this energy nation. A federal-provincial agreement on that package was two days away when the Liberals and the New Democratic Party combined again to bring our government down.

An hon. Member: Poor Joe!

Mr. Clark: Since then there has been no comprehensive energy policy at all advanced by the Liberal government. Negotiations on a narrow but important part of energy policy, the part concerning price, are apparently under way. The

producing provinces, naturally enough, are insisting that they receive the same net benefits from this government that they would have received from the agreement we had prepared. That is understandable, but the point for this Parliament to underline is that all the people of Canada also have the right to expect that Canada will get equivalent benefits from the Liberal agreement, equivalent to those benefits Canada would have received from the agreement two days short of signing by the Progressive Conservative government defeated last year.

The Prime Minister is apparently meeting the premier of Alberta. He may well have a proposal to make. He has an adjournment ahead of him. I want to suggest some items for his agenda during that adjournment as they relate to energy policy. I would like him to bear in mind, as I believe the Canadian people are increasingly bearing in mind, the important elements of the comprehensive energy proposal which we made and which the Liberal party and the NDP, for their own narrow political reasons, voted against.

● (1540)

Some hon. Members: Oh, oh!

Mr. Clark: Those elements of that proposal were designed to build Canadian security, were designed to ensure Canadian supply, and they included some of the following. First, they included a pricing regime which would be sufficient to lead to exploration in this country, including non-conventional exploration in areas where exploration has not occurred successfully before, and which would lead the producers of this country to go forward and to guarantee security of Canadian supply, because we believe that Canada, with the resources available to it, with the initiative of its people and of its industry, is eminently capable of becoming self-sufficient in energy by the year 1990. That was our goal, that should be the goal of Canada, that can be the goal of Canada, and that is a goal which apparently has been abandoned by the Liberal government and which I recommend that they adopt, not in my interest but in the interest of the nation that they will govern for a few years more.

Some hon. Members: Hear, hear!

Mr. Clark: Second, that energy package put together to secure Canada's energy future, to take advantage of the rare resource we have as an energy nation, provided— and I say this for the special information of the Minister of Energy, Mines and Resources who, unhappily is absent—a *force majeure* clause which would have permitted the Government of Canada to separate Canadian price, to an even greater degree than was in the agreement spelled out, from the changes that might occur in world price, in prices by OPEC. That *force majeure* clause was an item of protection which was in our agreement, and we have no way of knowing what protection, if any, will be in the agreement signed by the Liberal government, if indeed there is one.

Third, we recognized as a fundamental element of an energy policy for Canada that there had to be help to those Canadians who were going to be hit hardest by the increases in price that were inevitable in a modern world economy. So we introduced an energy tax credit which would have been available to the lower income and harder hit Canadians across the country, an energy tax credit, I would remind the House, voted against by the NDP and voted against by the Liberal party, but introduced by this party, introduced by the government we formed, as a fundamental element of a national energy package—

Some hon. Members: Oh, oh!

Mr. Clark: I am being heckled by the hon. member for Timmins-Chapleau (Mr. Chénier). I wanted to say the hon. member for Hollywood, but it is Timmins. His interjection was a complaint against the tax credit. I am not surprised that he should interject against the tax credit since the other night he applauded the imposition of an increase in the price that his constituents have to pay for home heating oil, an increase they would not have had to pay under our government.

Some hon. Members: Hear, hear!

Mr. Clark: We introduced those measures of aid to help Canadians who would be hardest hit. That was another major element of that program. Again we recognized that there were in some parts of Canada energy generation which depended excessively upon petroleum. So we offered special help to the province of Nova Scotia and to the province of Prince Edward Island so that they would be better able to deal with the increases which were inevitable in the current international energy situation. We proposed an energy self-sufficiency tax which would have yielded some $6 billion. We proposed a tax that the NDP voted against which would have taken $6 billion from the large multinational oil companies of this country. The NDP voted to spare multinationals from a $6 billion tax burden which we proposed to introduce.

Some hon. Members: Oh, oh!

Mr. Clark: That energy self-sufficiency tax imposed upon the energy industry was to have been directed entirely to energy supply and to developing conservation in this country.

We proposed the establishment, as part of that package, of a Canadian energy bank which would encourage individual Canadians and Canadian controlled companies to invest in Canadian energy projects. Again there has been no mention of that important factor, no similar instrument spelled out by the Liberal party. This party stands committed—and we proved it with the energy bank—to the concept of Canadian ownership of the Canadian energy industry. That is a principle which was voted against by the NDP, it was an initiative which was voted against by the Liberal party, but we believed in it and we set it forth in the energy package which was brought forth by us as a government. We believe in Canadian ownership of Canadian energy resources, and we gave Canadians a program which would have accomplished that goal.

Some hon. Members: Hear, hear!

Mr. Clark: Those are some of the elements of our energy package, and the NDP was caught in the act of voting against

Canadian ownership, of voting against low-income Canadians, of voting against energy security, so they are making a great deal of noise in this House. No doubt they are trying to shout down the relevation of their record, but as a party they voted against lower income Canadians, they voted against Canadian ownership, and they voted against Canadian security of supply. If they do not like hearing this now, they had better get used to it because they are going to hear a great deal more about their actions against Canadian interests.

Some hon. Members: Hear, hear!

Mr. Clark: Indeed, as one of my colleagues pointed out, they will be hearing a great deal more about their actions against the steelworkers, their actions against unions.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I think the record clearly shows that it was the Canadian people who in fact voted against the Leader of the Conservative Party (Mr. Clark).

Mr. Deputy Speaker: That is a point of debate, not a point of order.

Mr. Clark: I regret that in the uproar which was being caused by the hon. member's colleagues I did not hear his remarks, but my colleagues who did hear him tell me I missed nothing.

Some hon. Members: Oh, oh!

Mr. Clark: I want to speak for a moment not simply about the contents of that energy package, important as they were because they faced, for the first time since the war in Canada, the great possibilities that existed for this nation to become self-sufficient in energy. I want to speak for a moment, for the benefit of the Liberal party, about the process that was followed in working out that package because I happened to read a most extraordinary chronicle in the life of Canada the other day, an interview given by one Pierre Elliott Trudeau to, of all people, the Toronto *Globe and Mail*. I thought that wonders would never cease when I read the account of that interview, until it became clear why exactly that interview had been given by that individual to that particular medium. The reason was that he wanted to build up the idea that there is no alternative approach to the confrontation politics which he has practised for so long at such a high cost here in Canada.

He suggested that what he termed as the non-confrontationist approach of my government has not worked. I want to give him one instance where it did work, and I wish him as much success as we had. When we began the process of working out an energy agreement which would speak to supply and security of supply for Canada, we consulted with the premiers of the country, Premier Buchanan, Premier Blakeney, Premier Davis, Premier Hatfield, Premier MacLean, and Premier Lougheed. We consulted with the premiers of the country. We did not take them a package which was a *fait accompli*, but we said, "Look, here is the goal for this country, a goal for a price which Canadians can afford and will have to face, but a goal also which will take advantage of the great resources that are here and will build upon those resources."

I went to them as prime minister to premier and I said, "This is not a closed book, this is an arrangement, an agreement which conserves the interests of the whole community of Canada which we commonly serve." I received from those premiers several proposals that became part of that agreement and that were very helpful to the final package which was proposed. For example, it was the Premier of Ontario who suggested first that there be a relation that would not go above 85 per cent of world price and would naturally be protected after that by the *force majeure* clause.

• (1550)

We did not go to a province, as the Trudeau government so often does, and say, "Take this or leave it". We said, "Here is a proposal. How can it be improved?" Premier Davis made a suggestion that improved it significantly. We went to the Premier of Nova Scotia and said, "Here is a proposal. How can it be improved?" Premier John Buchanan and Premier Angus MacLean of Prince Edward Island co-operated with us in having the energy package that was brought forward reflect the special requirements of their parts of Canada. There were other items where we went to the premiers and listened to the advice of other governments, because we wanted a package which would not simply be a package that bore a party name, that would not be something that was forced down the throats of Canadians by a national government, but in effect would be a genuine national package reflecting a genuine national consensus and pursuing genuine national goals.

That kind of consultation will work in this country. That kind of consultation came within two days of working out a national energy package. If that package had been adopted this country would be much more secure in energy supplies than we are now, this country would be much better protected against the vagaries of the international market and against political changes which may occur in countries we cannot control, than it is now. That was a national policy worked out by a national government that was prepared to treat the provinces as partners sharing common goals, rather than as enemies who are there only to be confronted.

Some hon. Members: Hear, hear!

Mr. Clark: One other dimension of the energy negotiation which is important to recall to the attention of the House and the Canadian public at this time is that we recognized, as I think most Canadians do, that the question of pricing cannot be separated from the question of changes in the equalization formula of the country. I will say to the House that we received advice from public servants and from others that the only way to approach that problem was to approach the two issues together. I considered that advice and I knew it would fail.

I knew the only way we could get agreement on those two important and fundamental questions in the country was to approach them in the proper sequence, and to recognize that in

western Canada for a variety of reasons there had grown such a deep suspicion of the national government that there would not be a ready agreement on equalization until there was seen to be a fair agreement on an energy package first. That is why we proceeded in the sequence of getting agreement first on energy. We would have had that agreement on the Saturday after the government fell, and on the Monday after the government fell we had scheduled a first ministers' conference at which we had prepared for presentation to the premiers the proposal of a new review of equalization in the country based upon the Rowell-Sirois report, recognizing the fact that 40 years after Rowell-Sirois it was necessary for us to re-examine root and branch the equalization system in this country.

We proposed the innovation that instead of just simply being a commission imposed upon the provinces by the government, it should be a commission jointly appointed, with members appointed by both provincial and federal government, because that is the way to make a federal system work—not to argue about commas in a law but to recognize we share a common country and we want to build this common country together. That was the approach we took to equalization.

I know we have heard nothing of the reforms in the equalization agreement which will expire in less than two years. We have heard nothing of that from this government. To our knowledge and to the knowledge of the House of Commons, it is doing nothing about that fundamental problem. Had we been successful—and we were not; that is history—not only would we have had an energy package that would have moved this nation toward energy self-sufficiency by 1990, also I firmly believe we would have had an agreement on an amendment to the equalization formula which would have taken account of resource revenues in a way that would have truly shared, not by imposition but by agreement, the resources and wealth of this whole nation.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: Mr. Speaker, I think that we have thoroughly discussed national unity during recent years. I think, however, that we may have overlooked some means available to a national government. We have decided, for example, that it was not sufficient to convene the provinces and the federal government merely to discuss constitutional matters. We must also co-operate to consider modernizing other Canadian institutions.

This is why we have advocated the establishment of a national conference on economic development in Canada. The purpose of such conference would be to gather for the first time in Canadian history all the representatives and spokesmen not merely of the federal and provincial governments but also from the industry, the unions, the credit unions, the farmers and other individuals concerned with the economic development of Canada.

It is by working together that we can have a united country. The constitution alone or discussions dealing exclusively with legal matters will not do it. I referred earlier today, Mr. Speaker, to the actions of the Liberal government on energy matters and I indicated and there was evidence of it as recently as last night, that the word of the federal government is worth nothing or is not acceptable and that the people cannot rely upon it. Finally, the Liberal government is specializing in policy flip-flops and we just had a new example with energy. That is very serious, particularly when we think of what the Prime Minister said during the referendum campaign. He solemnly committed himself to achieve a new Canadian federalism. He promised it to Quebeckers and other Canadians.

But now that the referendum campaign is over, can we truly believe that he has really changed, that his attitude is different from what it was in the past and that the proposals made by his government constitute the slightest opening onto a genuine reform? Unfortunately, the answer is no. In fact, all the Prime Minister has managed to do up to now is to cause a lot of people to worry, from Claude Ryan to Roy Romanow. It augurs no good at all for the future, and I hope that the Prime Minister will be able to pull himself together in the next few days and will realize that the time has come at last to keep his word and to take concrete steps toward the renewal of the Canadian federation.

[*English*]

I close by reminding this House that we are a nation with great opportunities. We are a nation which, as well as its natural wealth, also has a wealth of good will and a wealth of common interest. We are a nation which can be brought together, but also we are a nation which can be driven apart. We need, as a nation, national projects. We need, as a nation, co-operation among levels of government and among individual Canadians. We need, as a nation, national leadership. We have had none from this government in the first session of this Parliament.

They have sought and are receiving an adjournment. I would hope their agenda for an adjournment would include having a budget ready for the early days after we come back in mid-October, would include having an energy agreement concluded which gives the people of Canada at least the benefits that would have been available under ours.

Having regard to the time, I wonder if I might conclude my remarks by moving, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House continue to sit this day beyond the ordinary time of daily adjournment in order to complete its consideration of the motion of the President of the Privy Council now under consideration.

Some hon. Members: Hear, hear!

• (1600)

Mr. Deputy Speaker: Order, please. The House has heard the motion. Will those who object to the motion please rise in their place.

And more than ten members having risen:

Mr. Deputy Speaker: Ten or more members having risen to object, pursuant to Standing Order 6(5)(b), the motion is deemed to have been withdrawn.

Motion withdrawn.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Deputy Speaker: Item No. 8, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand by unanimous consent.

* * *

AGRICULTURE

SUGGESTED ESTABLISHMENT OF VETERINARY COLLEGE IN ATLANTIC CANADA

Mr. Tom McMillan (Hillsborough) moved:

That, in the opinion of this House, the government should consider the advisability of supporting the establishment of a fourth veterinary college in Canada, which will emphasize preventive animal and marine health, to be located in the Atlantic provinces.

He said: Mr. Speaker, it is with a great deal of pleasure that I rise to sponsor and support this motion and to participate in the debate on it. As hon. members will appreciate, the motion itself will not cause the Atlantic regional veterinary college to come into existence. However, the debate on the motion is an opportunity for the House to express itself on the issue which is of great importance to the Atlantic provinces and, indeed, to all of Canada. My remarks will be relatively brief in that I have no desire to talk out the motion. By the some token, I am hopeful that support for the motion will be so widespread among all members that there will be an opportunity this afternoon to vote on it, and to do so favourably.

In my own remarks, I wish briefly to talk about the great regional and national need for a fourth veterinary college in Canada, about the nature of the proposed college and the requirements associated with it, and about the history of the proposal. I also wish to suggest a course of action, if there is time.

At the outset, may I make it clear that I do not have in mind the popular conception of a veterinary college. What I am referring to, instead, is a modern centre for animal and fish health. Too often we in Canada, especially lay people, including politicians, think of veterinary colleges in terms of the training of people for private practice. We have some notion that veterinarians have nothing more to do than to neuter cats or to hold Aunt Bessie's pregnant poodle while the dog is giving birth. However important these activities may be, veterinarians do much more. Seen in a very different light, a fourth veterinary college for Canada would give a much needed boost to the economy of the Atlantic region, especially in the areas of agriculture and fisheries.

Many members on all sides of the House will know that we in Canada have not been singularly successful in eliminating or even alleviating regional disparities. The Atlantic region lags far behind the rest of Canada. For example, the relationship between the per capita income in the Atlantic region and that in the rest of Canada is not unlike what it was as long ago as the 1920s. That is true despite the establishment of DREE in 1969, and despite the fact that under that program, and others, the federal government has been spending millions and millions of dollars to give the Atlantic region an economic lift. The trouble is we have been essentially engaged in the provision of welfare in various forms. Our approach has been one of "welfare augmenting". We have concentrated largely on transfer payments, whether they be equalization grants or unemployment insurance. What is needed are not handouts but, rather, assistance to the Atlantic—

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker, private members' hour is rather precious. It is not to be interrupted by a conclave of blabbering NDPers who do not have the good grace to get out of here to hold their meetings.

Some hon. Members: Hear, hear!

Mr. McMillan: I thank my colleague for that intervention. Perhaps, because we are talking about veterinary medicine, the NDP thinks it appropriate to act like a bunch of animals.

Some hon. Members: Hear, hear!

Mr. Fulton: On a point of order, Mr. Speaker, I find it interesting that they claim this is such an important and proper motion when they have only 40 members in the House.

Mr. Deputy Speaker: The hon. member has not made a point of order.

Mr. McMillan: If I may continue without further interruption, Mr. Speaker, I suggest the required approach is one of helping the Atlantic region to become self-sufficient. In particular, what is needed is help in the agricultural and fisheries areas—the traditional base of economic activity in the Atlantic region. At present livestock and livestock products account for 55 per cent to 60 per cent of total farm cash receipts in the region. But only between 35 per cent and 40 per cent of the food now consumed in the Atlantic region is produced there.

• (1610)

There is a tremendous opportunity in Atlantic Canada for a major impetus to food production. Canada itself is very much an underdeveloped country. If it is not underdeveloped, it is fast becoming underdeveloped in so far as food production is concerned. We cannot even feed ourselves much less engage in the export of food on a large scale. We as a country import something like $4 billion of agricultural goods year. That is equivalent, according to the experts, to one out of two meals.

The situation in agriculture per se is paralleled by that in fisheries. The world demand for fish has not diminished, but the supply has dramatically diminished. This is another opportunity for the Atlantic region to become a food basket for the rest of the world. The Maritime Farmers' Council has made a commitment to itself and to the country to triple agricultural production over the next 15 to 30 years. The goal is to help make the region self-sufficient in food production, with enough surplus to enable the Atlantic region to become a net exporter of food as well.

The Atlantic regional veterinary college that I am proposing today in my private member's motion is essential in that over-all strategy, because it can play an important role in encouraging and stimulating production efficiency in animal agriculture and in farming of marine species—or aquaculture as it is called—throughout the four Atlantic provinces.

I would like now to talk about the particular role I have in mind for the Atlantic regional veterinary college. A couple of examples are obvious. The first example which I wish to mention is that of preventive medicine. Traditionally veterinary medicine has been geared toward "salvage practice", as it is called in the profession, or concentration on sick animals. More and more, however, the direction of veterinary medicine is toward improving the general level of health of the animal population. In other words, the emphasis is on prevention.

In the United States the total value of livestock and poultry exceeds $35 billion. The estimated losses from animal diseases is $3 billion in that country. Disease in cattle alone results in a $1 billion loss per year. Swine losses are over $800 million or 20 per cent of the gross income of swine breeders. A similar situation exists in Canada, particularly in the Atlantic provinces. The goal should be to reduce waste. It is estimated that 12 to 15 per cent of every dollar spent on food production is wasted because of disease. This is an area where a veterinary college could play a vital role in assisting the Atlantic region to become more efficient and more productive as it strives toward the goal of food self-sufficiency.

Moving on from agriculture for a moment to fisheries, the goal of improved husbandry in fisheries and in other marine life is relevant to veterinary medicine. Unfortunately, the tools for the prevention, the control, and the eradication of fish diseases are still very few in the Atlantic region, throughout the rest of Canada and, indeed, in many parts of the world. The Atlantic regional veterinary college would give a huge boost to the fisheries industry by strengthening this area of weakness.

We need to improve harvesting techniques in fisheries. We also need to improve diversification of production, quality control, marketing, modernization of handling methods and professional training. The marine aspects of the proposed college are among the most unique and futuristic parts of the plan, and they are a vital part of the rationale or the justification for an Atlantic regional veterinary college. The recent establishment by Canada of a 200-mile offshore limit makes fisheries all the more economically significant and the proposal which we are debating today all the more relevant.

Quite apart from the offshore fisheries is the question of fish farming. In the next ten to 15 years this area could have a major economic impact. In some countries, such as the United States, fish farming has surpassed the offshore catch of some of the main species of food in a period of less than five to six years. In all those ways which I have mentioned, and in others which I did not, veterinary medicine could play a key role in training, direct service, research, extension and continuing education.

The college would not only be for the benefit of the people directly involved in the food industries, the farmers and fishermen, but also for the benefit of agrologists, veterinarians, biologists and many others, in fact, everyone involved in food production. The Atlantic regional veterinary college could become a vital ingredient in the economic infrastructure of the whole area.

I would like to talk for a moment about a specific dimension of the problem which we have at hand. Despite the importance of veterinary medicine to the Atlantic provinces, the region is not now directly served by a veterinary college. It is the only region of Canada which is not directly served by such a college. At present, there are three colleges. One is the Ontario Veterinary College at Guelph, the only English-speaking veterinary college in eastern Canada. The second college is the Western College of Veterinary Medicine at Saskatoon, on the campus of the University of Saskatchewan. The third is the Faculty of Veterinary Medicine at Saint-Hyacinthe in the province of Quebec.

Each is a regional school. These colleges have a national role, but essentially they are designed to serve their respective regions. The Western College of Veterinary Medicine, for example, serves British Columbia, Alberta, Saskatchewan and Manitoba. Its operating costs are met by all four provinces, just as all four contributed to the capital costs originally. That particular college does not accept, as a general rule, although there are exceptions, students from outside the region. The same is true, to a lesser extent, of Guelph and Saint-Hyacinthe.

The Guelph veterinary college has an unwritten quota of something like six students for the Atlantic region. It is the only English-speaking veterinary college in eastern Canada. Yet it accepts only six students each year from my region. No wonder there is a dire need for vets in Atlantic Canada, in private practice, in government and in teaching. In 1975 the number of vets per 100,000 in the Atlantic region was 7.81. In the rest of Canada the corresponding figure was 14.45. The number of students entering a veterinary program per million

population for the Atlantic provinces was only 3.7. In the rest of Canada the corresponding figure was 11.9. Hon. members can appreciate the disparity. With only six students accepted every year from the Atlantic region, mostly by Guelph, we are not even holding our own. We need 26 graduates every year just to conform to the national average, but we are falling far short of that figure. You can see why we have a short supply, Mr. Speaker.

● (1620)

A similar situation is true nationally, regarding supply. The three colleges combined take in about 260 students. A recent study of manpower conditions conducted by the provincial veterinary associations predicts a national shortage of 100 veterinarians per year in the foreseeable future.

There is a special need in the area of teaching, Mr. Speaker. If my memory serves me correctly, there are 3,900 registered veterinarians in all of Canada. Forty per cent of them are employed outside private practice. At Western College of Veterinary Medicine only 40 per cent of the 75 professionals on staff are Canadian. The college is finding it extremely difficult to attract Canadian faculty. Dr. Ole Nielsen, Dean of Veterinary Medicine there, states the case graphically when he is quoted in an article which appeared in the June-July 1980 issue of *University Affairs*, which reads in part as follows:

'There's a cutthroat competition for faculty right now', he states. The college must compete for faculty with veterinary schools in the rest of Canada, the United States and the United Kingdom. In the U.S. eight new veterinary schools have opened, or are in the process of opening, during the last 10 years, says Dr. Nielsen, and at times the situation for MCVM is 'absolutely desperate'.

It is a dire situation indeed, Mr. Speaker. If such is true in the western provinces where there is a regional veterinary college, you can imagine the situation in the Atlantic region where there is no college. We in Canada have been importing 30 or 40 veterinarians every year, between 1964 to 1976. The experts indicate that, in the foreseeable future, we will need to continue importing 20 to 30 veterinarians every year.

The irony and the scandal is that, at the very time we are going outside Canada for veterinarians, the three existing Canadian colleges must turn away qualified students in droves. About 1,000 applications are received at Guelph every year for the first year of pre-veterinary medicine. But the college is able to accept only about 120 people.

The situation was described very well in a report prepared by Dr. R. G. Thomson, Planning Co-ordinator for the planned Atlantic regional veterinary college. He refers to the irony I am talking about. On the one hand, Canada is recruiting veterinarians outside Canada; while, on the other hand, we are denying qualified Canadians access to veterinary education. If I may paraphrase what he says in that report, Mr. Speaker, Canada should be specializing in veterinary medicine, rather than depending on other countries. We should be producing veterinarians to take care not only of our own needs but also the needs of other countries, especially the developing countries.

The Atlantic regional veterinary college that I have in mind would be a regional resource but, at the same time, a national resource. It would be modest by Canadian standards, even by Atlantic regional standards. It would accept about 50 students per year, in contrast with the 70 or so students accepted every year at the Western College of Veterinary Medicine. If we allowed for a growth of six per cent per year as a result of establishing this college, we would be close to meeting our regional needs providing the graduates were available as early as 1987. In other words, the Atlantic regional veterinary college would allow for an average growth of 6 per cent per year to the year 2000, starting in 1987.

The need in veterinary medicine that I have referred to concerning fisheries, agriculture, preventive medicine, research, continuing education and other areas was recognized by the atlantic region and by the federal government some years ago. In 1975, the Maritime Province Higher Education Commission engaged Dr. D. G. Howell, who was then the Dean of Veterinary Medicine at Guelph, to produce a report on the subject. This report strongly recommended the establishment of the Atlantic regional veterinary college. He documented, in great scientific detail, both the feasibility of such a college and the need for it. The commission deliberated on the report, accepted Dr. Howell's recommendations and took some action.

Among other things, Dr. Howell recommended that the college be established in Charlottetown, Prince Edward Island—which is in my riding of Hillsborough—as the logical site by academic criteria. That is not the point that I wish to address, however. Naturally, I have an interest in the college being established and particularly in it being established in my riding. But my main concern is that it be established in the region because of our great need, irrespective of site. The council of maritime premiers has been trying, ever since Dr. Howell reported, to reach a consensus on the need to establish the college and especially on a site for it. For obvious political reasons, they have become bogged down to a degree. Each premier has been subjected to a good deal of pressure within his own province to have the college located there.

While they have recognized the regional need, they have—to an extent which I think is unhealthy—risked losing the whole project altogether because of failure to reach a consensus. There is cause for optimism, however; there seems to be light at the end of the tunnel. At their meeting recently on Prince Edward Island, the premiers went a long way toward agreeing on the need for the college and on the site.

I should like to mention a few details about the college that is shaping up, Mr. Speaker. It would cost about $25 million. The estimated annual operating cost would be about $4 million. The proposal contemplates that the federal government would meet 50 per cent of the total capital costs, with the rest being met by the four provinces on a per capita basis. The operating costs would largely be met by the participating provinces, again on a per capita basis.

Mr. Speaker, from time to time issues arise in this House which transcend parties, transcend politics, and transcend

partisanship. The Atlantic regional veterinary college is such an issue. It would not be just an education facility but is a proposal for a major ingredient in the economic infrastructure of the Atlantic region. It would especially complement fisheries and agriculture, but it would have multiplier effects right across the board. As such there is a lot to be said for it.

The Minister of Agriculture (Mr. Whelan), when he was a member of an earlier cabinet, took steps to bring the college into existence. I would like to pay tribute to the leadership role he has played and continues to play in that connection. Because this is a non-partisan issue I urge all members—regardless of politics, regardless of party, and regardless of where they sit—to support the motion and to do so vigorously.

● (1630)

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would very briefly like to respond to the questions raised by my hon. colleague on the other side, the hon. member for Hillsborough (Mr. McMillan), concerning the establishment of a fourth veterinary college in Canada, to be located in the Atlantic provinces.

That college would, of course, be located in the Atlantic provinces and would aim its courses of study on preventive animal and marine health as well as fish hatcheries. It could of course extend preventive medicine to all other forms of agricultural production. This issue is of great interest to the government at present, Mr. Speaker, and in particular to the Department of Agriculture, and has been so for several years, since Agriculture Canada is quite aware of the situation which exists at present in the maritimes. Everybody can appreciate the importance of having enough veterinarians to satisfy the needs of the agricultural sectors in these areas and to ensure the training which may be necessary.

Agriculture Canada employs a good many veterinarians who have always had an important role to play in developing Canadian agriculture, especially in the fields of livestock and poultry production. Veterinary medicine will also have a role to play in developing fish hatcheries, a field which up until now was in the hands of biologists. But first of all, Mr. Speaker, I would like to review briefly the situation as to the possibility of establishing a fourth veterinary college in the maritimes.

As mentioned by the hon. member for Hillsborough (Mr. McMillan) a national survey was made in 1970 and 1971 of manpower resources in the field of veterinary medicine and techniques which revealed a general shortage of veterinarians across Canada. The committee, therefore, recommended an increase in the number of annual inscriptions at Canadian veterinary colleges. Two years later, cabinet agreed to negotiate an increase in the number of veterinary colleges by accepting, in principle, the setting up of a fourth college. In 1974, the federal government signed agreements with the provincial governments concerned accepting, in principle, to finance up to 50 per cent of the costs incurred to expand the three existing colleges, namely, those of Guelph, Saint-Hyacinthe and Saskatoon. On the other hand, in 1975, the governments of the maritime provinces, as pointed out by my colleague, the hon. member for Hillsborough, asked Dr. Howell, dean of the veterinary college of Ontario, to conduct a study on the needs of their area and the possiblity of establishing there a fourth veterinary college.

At the time, Agriculture Canada paid half the cost of the studies. In his report, Dr. Howell recommends the creation of a school of preventive animal and marine health at the Prince Edward Island University located at Charlottetown. Later on, the council of ministers of the maritime provinces studied Dr. Howell's recommendations and set up a committee to look into the situation further. By that time, the P.E.I. government had contributed $200,000 to finance the study. Throughout that period, it had opposed the recommendation to set up the veterinary college in Charlottetown. It wanted the college built in Truro.

Besides, it was on January 28, 1980, that the matter was withdrawn from the agenda of the council of maritime premiers because Premier MacLean thought Prince Edward Island could not afford the financial cost of the project. Mr. Speaker, how is the study and planning for the establishment of that fourth college progressing? The development program of the Ontario veterinary college is completed while the Saint-Hyacinthe school of veterinary medicine in the riding I have the honour to represent in the House, expansion and development work is moving very nicely. At the Saskatoon veterinary college the development or expansion project is still at the planning stage.

So I think that with the expansion of actual colleges, until this fourth college is established, it will be possible to meet the demand for veterinary education better. It must also be pointed out that every year the Guelph college reserves a minimum of six places for English-speaking students from the maritime provinces. As far as the Saint-Hyacinthe veterinary college is concerned, the University of Montreal has reached an agreement with the New Brunswick education department to take at least—and that is not many—two students a year from that province. As you can see, students from the maritime provinces are not totally devoid of opportunities of registering in veterinary medicine colleges. They are not totally deprived, Mr. Speaker, but I am convinced—and I believe my colleagues in the maritime provinces know it quite well—that there are a lot more young people in 1980, in this coming decade, interested in going into that field of education.

Mr. Speaker, recently we learned that new regulations on brucellosis in the United States had been amended and that that amendment to the amendments to those same regulations helped Canadian exports of livestock to the States. And the new set of regulations introduced by the Department of

Agriculture and the U.S. Department of Agriculture—and that is to the credit of the representatives of the maritime provinces—recognizes the provinces of New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland as areas exempt of brucellosis. The cattle shipped from the Atlantic provinces to the United States will only have to be accompanied by a certificate attesting they come from an area recognized as exempt of brucellosis and reacted negatively to a anti-brucellosis test. Those exports will have to be accompanied by a certificate signed by an Agriculture Canada veterinarian.

That shows in any case that there is already a lot of work being done in Atlantic Canada in preventive veterinary medicine. And quite recently, again with a view to having more veterinarians, the convention of the order of Quebec veterinarians took place and was held, of course, in Saint-Hyacinthe at the veterinary school, and the theme of that convention this year was "The Vet and the Environment—a soul-searching experience". And, Mr. Speaker, I would just like to quote a few words by Michelle Alie of the faculty of veterinary medicine who says, and I quote:

> When one day it is too late to talk of "negligible residues" and we can talk about real contamination of animal and man, we will look for those responsible for the problems of production and reproduction in our herds, or at man's level, so-called "civilization" diseases.

Mr. Speaker, this was in the spring, at a convention of the order of veterinarians. Obviously, we need more veterinarians as we are continuously increasing our agricultural output. We just need to think about our hog production which increased considerably, by 27 per cent in the seventies. And thank God, we did not have any serious diseases in that sector.

Very recently during the study of supplementary estimates I asked the director of Agriculture Canada if our veterinarians would be ready if there were an outbreak of contagious disease among hogs as we have become a country which produces hogs of very good quality, a very good meat, the best hog produced in North America. He told me that they would not really be ready if there were an outbreak of contagious disease in the pork industry. So you will understand why we raised the number of registrations. We must supply more and more veterinarians and I think that the people from the maritimes are entitled to it. Their request is perfectly justified. Dr. Howell's study recommended the establishment of a fourth college of veterinary medicine in the maritimes.

I think of the slaughterhouses we have everywhere in Canada. I think of the slaughterhouses in Quebec. I want to tell you about some experiences in my province. Some slaughterhouses have the seal "Quebec approved" and others the seal "Canada approved". Mr. Speaker, I can tell you that all slaughterhouses in Quebec would like to have the "Canada approved" seal. Why? It is very simple. The competence of our veterinarians is certainly more recognized, more advanced than in some other sectors.

So, to conclude, I shall say that the proposals concerning the creation of that fourth college for veterinarians are still to be considered and I am sure that the Minister of Agriculture (Mr. Whelan) and that the Government of Canada are perfectly aware of this, but it should be considered, of course, in the context of the budgetary restrictions of the federal government for the 1980s.

● (1640)

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am very happy to rise to speak on this motion to consider the advisability of a fourth veterinary college in Canada in the Atlantic provinces.

New Democratic Party policy states very specifically that we should and must develop the kind of education which is required to enable the agricultural industry in Canada to develop in the direction which is best for Canada. Along with that total factor of education we must include veterinary colleges. As an educator myself I find I am really prepared to give some advice about the development of any kind of college, but after listening to the hon. member for Hillsborough (Mr. McMillan), I am of the opinion that any advice I might give is probably superfluous because, quite obviously, he and his colleagues in the area who are looking toward the development of a veterinary college in the maritimes have done their homework and know quite a bit about what they are getting into.

Planning any kind of a college or any kind of educational institution must be done well, and be thorough if it is to produce an effective institution. The needs must be well defined if it is going to do what the people want it to do, or think it should do, for that particular area. In my career as an educator I have too often watched the development of institutions which were not well planned and where the objectives were not well defined. Those kinds of institutions in many cases have been funded by federal money, and sometimes it has been my belief that the money was available and the use of the money was more the objective of the development than the educational benefits which would accrue from it.

A second factor which I think should be recognized is that a college of this type must look into the kinds of areas which are not being well taken care of by the present three colleges. The example of western veterinary colleges has come up on several occasions and I think that the maritime provinces could learn a lot by discussing with the people who were responsible for the development of the regional colleges in the west the problems they experienced in getting together to form a team to develop the college in Saskatoon.

In the party to which the hon. member for Hillsborough belongs there are a couple of westerners who could contribute a considerable amount to this project. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), during his period as minister of agriculture, was very instrumental in getting the four provinces in the west together, leading to the kind of co-operation which allowed them to get a regional

college in Saskatchewan. The negotiations resulted in Edmonton getting a library and college, and Saskatoon getting the veterinary college, etc. I think it is necessary for the maritimes to follow this kind of approach if they wish to get the kind of college proposed.

The agricultural proposals which were brought forward by the hon. member for Hillsborough are very interesting. This is an area which I am sure none of the other colleges have gone into in any depth. Research in this area should be developed as much as possible. The other member in the party of the hon. member for Hillsborough is the hon. member for Medicine Hat (Mr. Hargrave) who, at the time of the development of the western regional veterinary college, was a member of the board of governors of the University of Alberta. He, too, was very instrumental in getting the kind of college which the western provinces wished to have.

On behalf of my party I would like to say that what we have done is part of our policy in the west. We have put forward as strongly as possible the idea that such institutions must be developed so that rural youth can get the type of training which will make them good members of the agricultural industry. Too often decisions are made at government level based on the idea that one can farm or carry on in agriculture without the training that is necessary in other industries. This is far from true, and it is good to realize that the maritimes are attempting to put forward for their use the kind of institution which would allow them to have the kind of training which they need. Therefore the New Democratic Party supports this proposal and if the maritime provinces can get together on what kind of institution they want, and where it should be located, we would support them in every way we could.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I hear members on the other side of the House calling for the question. I am certain they would not want to prevent a member from New Brunswick from speaking on such an important project, which I support in principle. I want to make this clear right from the start. However, Mr. Speaker, there are certain things that I want to mention as a citizen of New Brunswick, a member from New Brunswick, and also in my special capacity as a French Canadian, of which I am proud.

Mr. Speaker, the suggestion made in the motion of the hon. member for Hillsborough (Mr. McMillan) is most worth while, and I wish to underline this, because, as stated by the previous speaker, the residents of the four eastern provinces have to beg to be registered at veterinary colleges in other Canadian provinces.

● (1650)

As concerns French-speaking Canadians in the Atlantic region, the Acadians, the Francophones originally from Quebec who settled in the maritimes five or six generations ago, for instance the Brayons of the Republic of Madawaska, I would like to note that not only is there no veterinary school in the Atlantic region, but also that there is only one French school in the entire country, and as noted by the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy), it is located in the lovely city of Saint-Hyacinthe in Quebec. This is still quite far from New Brunswick and Prince Edward Island, and even farther from Nova Scotia and Newfoundland.

What I want to point out especially in this debate is that not only French-speaking Canadians of the Atlantic region have fewer opportunities than anyone else, but they must also submit to the good will of an institution in a neighbouring province. I do not know exactly how many places have been reserved at the Saint-Hyacinthe veterinary college, Mr. Speaker, but I do know that students from New Brunswick get the remaining places if there are any, so that in the Madawaska area there are only four or five veterinarians, some with the provincial government, others with the federal government. All of them come from the province of Quebec. Not only young people from our area cannot register in a French language veterinary college but we have also to rely on graduates from Quebec to fill the minimum positions available in our area. That obviously supports the arguments of the hon. member for Hillsborough that the veterinary college be established as soon as possible.

There is an aspect of that project which is very interesting and that is aquaculture. All members of the House of Commons are aware that Acadian people, French-speaking people from New Brunswick, from Prince Edward Island and from Nova Scotia have a special interest in developing fisheries, research in fisheries, as many of them make a living from that resource. I would have hoped that in the spirit of comprise which we usually succeed in developing in Canada between the two major language communities, I would have hoped that in the consideration of the Atlantic region veterinary college they could have recognized the needs of the French-speaking people in the area. Unfortunately, it seems this has not been done. I would have hoped that in my own province of New Brunswick, whose premier is a member of the council of maritime premiers, the premier would have spoken for Francophones so that in the course of the negotiations and talks with the two other premiers, he could have ensured a minimum of French-speaking participation in that institution. I am sure that my hon. friend from Hillsborough would not object to that kind of concept, that kind of participation of the two main linguistic communities in the area. I feel there is still time to consider this. At any rate, I rise this evening in this House to request it. I ask that this be considered, and that in co-operation with the University of Prince Edward Island in our own University of New Brunswick, they hire French-speaking and French culture professors, and researchers, in order that our French-speaking citizens in New Brunswick, in Prince Edward Island and in Nova Scotia may use the excellent teaching facilities and research opportunities that will exist, so that we, French-speaking citizens of New Brunswick, are not eternally forced to go to Quebec to get a minimum of services in our language.

We are citizens in our own right and we want to have at home, in our own province, as much as Quebeckers have in their province—our own services and our own facilities.

I would conclude on this. It is unfortunate that we do not have another hour to discuss this, because one of my colleagues, himself a veterinarian, the hon. member for Guelph (Mr. Schroder), wishes to contribute.

[*English*]

Mr. Jim Schroder (Guelph): Mr. Speaker, I commend the hon. member for Hillsborough (Mr. McMillan) for bringing this matter to the attention of the House because it gives me an opportunity to say some things about my profession which I think the House should hear.

I am pleased to have the opportunity to mention the fact that I know Dr. Reg Thomson, who is doing a feasibility study on this college in the maritimes. He is a former student of mine, and also a personal friend. I also would like to mention that Dennis Howell, who did the original study, also was a colleague of mine and again a personal friend. I think we are very fortunate in this country to have men of this calibre who have been making these kinds of studies.

Rather than go on record as saying that I favour or do not favour the establishment of this veterinary college in the maritimes, I would like to put in perspective what it really means to be a veterinarian, so that if hon. members are going to vote on the establishment of a veterinary college, they really will have some idea about what they are doing.

I suspect that few hon. members know that one of the main reasons for the shortage of veterinarians in Canada today is that four of them are now members of Parliament in this House of Commons, so there has been a loss there. I suspect it would be rather immodest of me to say that not only are we losing quantity but that we are also losing quality from the profession to the House of Commons.

One of the things which happens in professions is that they become popular for reasons of which we sometimes are not really sure, but I suspect that one of the things which makes veterinary medicine popular in this country is the book written by James Herriott, "All Creatures Great and Small". When I was—

[*Translation*]

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until Monday at 2 p.m. pursuant to Standing Order 2(1).

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

APPENDIX

(*See p. 3095*)

Ottawa, July 17, 1980

The Right Honorable Pierre Elliott Trudeau, P.C., Q.C., M.P., LL.L., M.A., F.R.S.C.,
Prime Minister of Canada,
Ottawa

Dear Mr. Prime Minister:

I have been asked to convey to you the attached letter approved by the President of the United States regarding ANGTS assurances. The original signed letter will be forwarded as soon as possible.

Sincerely,

Kenneth M. Curtis
*qcAmbassador

July 17, 1980

The Right Honorable Pierre Elliott Trudeau, P.C., Q.C., M.P., LL.L., M.A., F.R.S.C.,
Prime Minister of Canada,
Ottawa

Dear Mr. Prime Minister:

Since you last wrote to me in March, the United States Government has taken a number of major steps to ensure that the Alaska Natural Gas Transportation System is completed expeditiously.

Most significantly, the Department of Energy has acted to expedite the Alaskan project. The North Slope producers and Alaskan segment sponsors have signed a joint statement of intention on financing and a cooperative agreement to manage and fund continued design and engineering of the pipeline and conditioning plant. The Federal Energy Regulatory Commission recently has certified the eastern and western legs of the system.

The United States also stands ready to take appropriate additional steps necessary for completion of the ANGTS. For example, I recognize the reasonable concern of Canadian project sponsors that they be assured recovery of their investment in a timely manner if, once project construction is commenced, they proceed in good faith with completion of the Canadian portions of the project and the Alaskan segment is delayed. In this respect, they have asked that they be given confidence that they will be able to recover their cost from U.S. shippers once Canadian regulatory certification that the entire pipeline in Canada is prepared to commence service is secured. I accept the view of your Government that such assurances are materially important to ensure the financing of the Canadian portion of the system.

Existing U.S. law and regulatory practices may cast doubt on this matter. For this reason, and because I remain steadfastly of the view that the expeditious construction of the project remains in the mutual interests of both our countries, I would be prepared at the appropriate time to initiate action before the U.S. Congress to remove any impediment as many exist under present law to providing that desired confidence for the Canadian portion of the line.

Our Government also appreciates the timely way in which you and Canada have taken steps to advance your side of this vital energy project. In view of this progress, I can assure you that the U.S. Government not only remains committed to the project; I am able to state with confidence that the U.S. Government now is satisfied that the entire Alaska Natural Gas Transportation System will be completed. The United States' energy requirements and the current unacceptable level of dependence on oil imports require that the project be completed without delay. Accordingly, I will take appropriate action directed at meeting the objective of completing the project by the end of 1985. I trust these recent actions on our part provide your government with the assurances you need from us to enable you to complete the procedures in Canada that are required before commencement of construction on the pre-build sections of the pipeline.

In this time of growing uncertainty over energy supplies, the U.S. must tap its substantial Alaskan gas reserves as soon as possible. The XXVI trillion cubic feet of natural gas in Prudhoe Bay represents more than ten per cent of the United States' total proven reserves of natural gas. Our governments agreed in 1977 that the Alaska Natural Gas Transportation System was the most environmentally sound and mutually beneficial means for moving this resource to market. Access to gas from the Arctic regions of both countries is even more critical today as a means of reducing the dependence on imported petroleum.

Successful completion of this project will underscore once again the special character of cooperation on a broad range of issues that highlights the U.S./Canadian relationship.

I look forward to continuing to work with you to make this vital energy system a reality.

Sincerely,

(Signed: Jimmy Carter)

STATEMENT OF INTENTION BY PRUDHOE BAY PRODUCERS AND SPONSORS OF NORTHWEST ALASKA

Joint Statement of Intention

Atlantic Richfield Company, Exxon Corporation, and Sohio Alaska Petroleum Company (the Producers), and Alaskan Northwest Natural Gas Transportation Company, a partnership (Alaskan Northwest), enter into this Joint Statement of Intention at the request of the United States Department of Energy.

Preliminary Recitals

The Producers and Alaskan Northwest have a common interest in the efficient and cost-effective construction and operation of the Alaska Natural Gas Transportation System (ANGTS) including the conditioning plant at the earliest practicable date. Alaskan Northwest has developed a construction schedule for the ANGTS which would result in completion of the system in 1985.

The facilities to be constructed in the State of Alaska which are necessary to placing the ANGTS in service require immense capital investment, and private sector lenders who will be asked to advance funds for the construction of Alaskan facilities will require reasonable assurance that the facilities will be completed and placed in service, and their debt serviced.

The President's Decision and Report to Congress describes the plan for private financing of the ANGTS to be implemented by Alaskan Northwest. Alaskan Northwest has indicated that the Alaskan segment of ANGTS can be financed in the private sector, if there is meaningful participation by the Producers in the financing structure. The Producers have indicated willingness to participate in a substantial way with Alaskan Northwest in the financing of the Alaskan pipeline and conditioning plan upon reasonable terms and conditions, provided they are not placed in the position of becoming, in effect, the ultimate guarantors of completion of the ANGTS and provided that their financial exposure is effectively limited.

In an effort to move forward in surmounting the acknowledged difficulties presented by this project, the parties have entered into a Cooperative Agreement for continued design and engineering of the Alaskan gas pipeline and the conditioning plant which will prepare natural gas produced from the Prudhoe Bay unit of Alaska for transmission through ANGTS.

Statement of Intention

It is the mutual objective of the Producers and Alaskan Northwest that the ANGTS be completed and placed in service at the earliest practicable date, and, accordingly, the producers and Alaskan Northwest intend to use their best efforts, on a joint and cooperative basis, to expedite design, engineering and cost estimation.

The Producers, together with their advisers, will work with Alaskan Northwest in an effort to develop its financing plan in such time and manner so that necessary governmental approvals may be obtained and construction commenced and completed as scheduled by Alaskan Northwest.

It is recognized that in order for the financing plan to be acceptable to the financial community the project must be economically sound and the financing plan must accommodate reasonably desired protections for the interests of potential lenders. If the parties, or any of them, conclude that alternative approaches in financing, or waivers of law under the Alaskan Natural Gas Transportation Act are necessary to effectuate a feasible and effective plan of financing, such party or parties may develop alternatives and advise appropriate authorities of their conclusions.

This statement of intention shall be signed after approval thereof by the Department of Energy and the Department of Justice.

IN WITNESS WHEREOF, the parties have executed this Statement on June, 1980.

Original Signed
June 19, 1980

Concurrent Resolution Expressing the Sense of Congress Regarding the Importance of the Alaska Natural Gas Transportation System

Whereas, the Alaska Natural Gas Transportation System is a critically important energy project that will tap Alaska's North Slope natural gas reserves which constitute more than ten per cent of this nation's entire proven natural gas reserves;

Whereas, the System, when complete, will supply the United States with five per cent of its annual natural gas demand, displacing over 400,000 barrels of oil thereby greatly reducing this nation's excessive dependence on foreign oil;

Whereas, the Congress has already expressed its overwhelming support for the System in approving by joint resolution the President's 1977 *Decision on the Alaska Natural Gas Transportation System*;

Whereas, a portion of the System known as prebuild can be constructed by the end of 1981 to bring Canadian gas to this nation until the entire system is complete in 1985;

Whereas, pre-build will contribute to completion of the entire system by spreading demand for capital, labor and materials over several years, and will enable this nation to obtain Canadian natural gas to displace 200,000 barrels of foreign oil a day;

Whereas, the Federal Energy Regulatory Commission has issued decisions granting certificates for the prebuild facilities in the United States;

Whereas, the Sponsors of the Alaskan segment of the system and the North Slope natural gas producers have entered into an agreement to fund and manage jointly the design, engineering and cost estimation for the Alaskan segment and have

made a joint Statement of Intention to work to develop a financing plan for the Alaskan segment with the object of completing construction by the end of 1985; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) that it is the sense of Congress that the System remains an essential part of securing this nation's energy future and, as such, enjoys the highest level of Congressional support for its expeditious construction and completion by the end of 1985.

OTTAWA, K1A 0A2
March 12, 1980

Mr. Jimmy Carter,
President of the United States of America.

Dear Jimmy,

Two and a half years ago, representatives of our two governments signed the agreement on principles for a northern natural gas pipeline project. The pipeline offers substantial economic advantages to both our countries and provides the United States with access to Alaskan gas. The Canadian Government remains committed to the pipeline and I know from statements you made when we last met March 3 1979 in Washington, and since, that the United States Administration remains determined that the project proceed as quickly as possible.

The lack of progress on the financing of the Alaska portion of the line is, however, a cause for concern. Failure to establish a basis to assure the financeability of the Alaska portion will lead to delays that could jeopardize the entire project.

For some time now efforts have been directed to beginning construction of the pipeline in the south, rather than in Alaska as was originally intended, the so-called "pre-build" concept. Hearings are under way before the National Energy Board in Canada and the Federal Energy Regulatory Commission in the United States to authorize construction of these pre-built sections to carry Alberta gas to United States markets prior to the completion of the line and the arrival of Alaska gas. Both governments have expressed support for the pre-build concept. However, the Canadian Government cannot, under the Northern Pipeline Act, authorize the construction of any part of the line, including pre-build, until it is assured that the entire line will be completed.

The Foothills Company, owner of the pipeline in Canada, has expressed, to our government and to yours, grave concern about the delays and is reluctant to invest more money until the uncertainties are resolved. Failure to resolve the Alaska financing promptly could add more than a year's delay to the construction of the pre-build sections and, therefore, could conceivably lead to the indefinite postponement of the whole project.

I know that you will continue your efforts to resolve this serious problem standing in the way of the pipeline project.

With warm regards,

Yours sincerely,
(Signed: Pierre E. Trudeau)

P.C. 1980-1969
17 July, 1980

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to subsection 17(2) of the National Energy Board Act, is pleased hereby to approve the variations in Licence No. GL-56 by:

(1) deleting the phrase "at a place on the international boundary line between Canada and the United States of America near Emerson, in the Province of Manitoba" where it occurs therein and substituting therefor the phrase "at places on the international boundary line between Canada and the United States of America near Monchy, in the Province of Saskatchewan and near Emerson, in the Province of Manitoba".

(2) adding the following condition:

"8. Of the total quantity of gas authorized for export during each of the periods specified in condition 2, the quantity of gas that may be exported near Monchy, Saskatchewan, shall not exceed:

(a) for the period commencing on the 1st day of November, 1981, and ending on the 31st day of October, 1982, 2,613,700 cubic metres in any one day, or 954,000,000 cubic metres in the period;

(b) for the period commencing on the 1st day of November, 1982, and ending on the 31st day of October, 1985, 4,849,400 cubic metres in any one day, or 1,770,000,000 cubic metres in any consecutive twelve-month period ending on the 31st day of October;

(c) for the period commencing on the 1st day of November, 1985, and ending on the 31st day of October, 1986, 4,249,200 cubic metres in any one day, or 1,550,000,000 cubic metres in the period;

(d) for the period commencing on the 1st day of November, 1986, and ending on the 31st day of October, 1987, 2,124,600 cubic metres in any one day, or 775,000,000 cubic metres in the period, or

(e) for the six year period commencing on the 1st day of November, 1981, and ending on the 31st day of October, 1987, 7,648,500,000 cubic metres in the period."

P.C. 1980-1968
17 July, 1980

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to subsection 17(2) of the National Energy Board Act, and section 8 of the National Energy Board Part VI Regulations, is pleased hereby to approve the following:

A. Orders Nos. AO-2-GL-58 and AO-2-GL-59 issued to Pan-Alberta Gas Ltd. in the form attached hereto,
B. Order No. AO-2-GL-61 issued to Consolidated Natural Gas Limited in the form attached hereto,
C. Licences Nos. GL-62 and GL-63 issued to Pan-Alberta Gas Ltd. in the form attached hereto.

ORDER NO. AO-2-GL-58

IN THE MATTER OF the National Energy Board Act and the Regulations made thereunder; and
IN THE MATTER OF a variation, pursuant to subsection 17(2) of the National Energy Board Act, of Licence No. GL-58 issued to Pan-Alberta Gas Ltd., filed with the Board under File No. 1537-P23-3.

BEFORE the Board on Monday, the 14th day of April, 1980

UPON an application by Pan-Alberta Gas Ltd. (hereinafter called "the Licensee"), dated the 12th day of February, 1980, for an order varying Licence No. GL-58 so as to allow the Licensee flexibility in its deliveries of quantities authorized for export under the licence,

AND UPON a public hearing having been held, commencing on the 18th day of March, 1980, at which the Licensee and other interested parties have been heard,

IT IS ORDERED

THAT Licence No. GL-58 be and the same is hereby changed, altered and varied by:

(1) revoking condition 1 therefrom and substituting therefor the following:

"1. The term of this licence shall commence on the 1st day of November, 1981, and end on the 31st day of October, 1988."

(2) revoking paragraphs (d) and (e) of condition 2 therefrom and substituting therefor the following paragraphs:

"(d) for the period commencing on the 1st day of November, 1986, and ending on the 31st day of October, 1987, 6 232 100 cubic metres in any one day, or during the period, 2 073 600 000 cubic metres plus an "additional" quantity of gas, subject to condition 8, equal to the difference between the quantity of gas authorized for export under paragraph (a) during the twelve-month period ending the 31st day of October, 1982, and the quantity of gas actually exported under this licence during that twelve-month period, up to a maximum quantity of 13,605,100 cubic metres in any one day or 4,526,800,000 cubic metres during the period.
(e) for the "extended" period commencing on the 1st day of November, 1987, and ending on the 31st day of October, 1988, and subject to condition 8, 24,928,500 cubic metres in any one day, or a quantity of gas during the period equal to the difference between the quantity of gas authorized for export under paragraph (a) during the twelve-month period ending the 31st day of October, 1982, and the quantity of gas actually exported under this licence during that twelve month period, less the quantity of such gas exported during the twelve-month period ending on the 31st day of October, 1987.
(f) 37,324,800,000 cubic metres during the term of this licence."

(3) adding the following condition:

"8. the additional quantity of gas specified in condition 2 paragraph (d) and the gas authorized for export during the extended period, condition 2 paragraph (e), shall be subject to having the quantity authorized for export during the respective periods reduced by the Board should deliverability be insufficient to meet the Canadian requirements and authorized exports."

NATIONAL ENERGY BOARD

Brian H. Whittle,
Secretary

ORDER NO. AO-2-GL-59

IN THE MATTER OF the National Energy Board Act and the Regulations made thereunder; and
IN THE MATTER OF a variation, pursuant to subsection 17(2) of the National Energy Board Act, of Licence No. GL-59 issued to Pan-Alberta Gas Ltd., filed with the Board under File No. 1537-P23-3.

BEFORE the Board on Monday, the 14th day of April, 1980

UPON applications by Pan-Alberta Gas Ltd. (hereinafter called "the Licensee"), dated the 12th day of February, 1980, and the 12th day of March, 1980, for orders varying Licence No. GL-59 so as to allow the Licensee flexibility in its deliveries of quantities authorized for export under the licence and to amend condition 5 of the Licence,

AND UPON a public hearing having been held, commencing on the 18th day of March, 1980, at which the Licensee and other interested parties have been heard,

IT IS ORDERED

THAT Licence No. GL-59 be and the same is hereby changed, altered and varied by:

(1) revoking condition 1 therefrom and substituting therefor the following:

"1. The term of this licence shall commence on the 1st day of November, 1980, and end on the 31st day of October, 1988."

(2) adding the following paragraph to condition 2:

"(f) for the "extended" period commencing on the 1st day of November, 1987, and ending on the 31st day of October, 1988, and subject to condition 8, 7,478,600 cubic metres in any one day, or a quantity of gas during the period equal to the difference between the quantity of gas authorized under paragraph (a) for export during the twelve-month period ending on the 31st day of October, 1981, and the quantity of gas actually exported under this licence during that twelve-month period."

(3) revoking condition 5 therefrom and substituting therefor the following:

"5. Gas exported under the authority of and in accordance with this licence shall be delivered to the point of export near Kingsgate, in the Province of British Columbia, through the pipeline systems of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) Ltd., Alberta Gas Trunk Line Company Limited and Alberta Natural Gas Company Ltd."

(4) adding the following condition:

"8. The extended period of the licence (see condition 2, paragraph (f)) shall be subject to having the quantity authorized for export during the period reduced by the Board should deliverability be insufficient to meet the Canadian requirements and authorized exports."

NATIONAL ENERGY BOARD

Brian H. Whittle
Secretary

ORDER NO. AO-2-GL-61

IN THE MATTER OF the National Energy Board Act and the Regulations made thereunder; and

IN THE MATTER OF a variation, pursuant to subsection 17(2) of the National Energy Board Act, of Licence No. GL-61 issued to Consolidated Natural Gas Limited, filed with the Board under File No. 1537-C29-1.

BEFORE the Board on Monday, the 14th day of April, 1980

UPON an application by Consolidated Natural Gas Ltd. (hereinafter called "the Licensee"), dated the 26th day of February, 1980, to amend Licence No. GL-61 by adding Monchy, Saskatchewan as an additional export point,

AND UPON a public hearing having been held, commencing on the 18th day of March, 1980, at which the Licensee and other interested parties have been heard,

IT IS ORDERED

THAT Licence No. GL-61 be and the same is hereby changed, altered and varied by:

(1) deleting the phrase "at a place on the international boundary line between Canada and the United States of America near Emerson, in the Province of Manitoba" where it occurs therein and substituting therefor the phrase "at places on the international boundary line between Canada and the United States of America near Monchy, in the Province of Saskatchewan and near Emerson, in the Province of Manitoba".

(2) adding the following condition:

"8. Of the total quantity of gas authorized for export during each of the periods specified in condition 2, the quantity of gas that may be exported near Monchy, Saskatchewan, shall not exceed:

(a) for the period commencing on the 1st day of November, 1981, and ending on the 31st day of October, 1982, 1,742,500 cubic metres in any one day, or 636,000,000 cubic metres in the period;

(b) for the period commencing on the 1st day of November, 1982, and ending on the 31st day of October, 1985, 3,232,900 cubic metres in any one day, or 1,180,000,000 cubic metres in any consecutive twelve-month period ending on the 31st day of October;

(c) for the period commencing on the 1st day of November, 1985, and ending on the 31st day of October, 1986, 2,832,800 cubic metres in any one day, or 1,034,000,000 cubic metres in the period;

(d) for the period commencing on the 1st day of November, 1986, and ending on the 31st day of October, 1987, 1,416,400 cubic metres in any one day, or 517,000,000 cubic metres in the period, or

(e) for the six year period commencing on the 1st day of November, 1981, and ending on the 31st day of October, 1987, 5,099,000,000 cubic metres in the period."

NATIONAL ENERGY BOARD

Brian H. Whittle
Secretary

LICENCE NO. GL-62

IN THE MATTER OF an application by Pan-Alberta Gas Ltd. (hereinafter called "the Licensee") pursuant to the provisions of the National Energy Board Act (hereinafter referred to as "the Act") for a licence under Part VI thereof for the exportation of gas, under File No. 1537-P23-4.

BEFORE the Board on Monday, the 14th day of April, 1980.

WHEREAS an application dated the 12th day of February, 1980, has been made by the Licensee to the National Energy Board under Part VI of the Act for a licence for the exportation of gas at a place on the international boundary line between Canada and the United States of America near Kingsgate in the Province of Saskatchewan,

AND WHEREAS a public hearing has been held, commencing on the 18th day of March, 1980, at which the Licensee and other interested parties have been heard,

AND WHEREAS the Board has satisfied itself that the quantity of gas to be exported does not exceed the surplus remaining after due allowance has been made for the reasonably foreseeable requirements for use in Canada,

AND WHEREAS the Board has satisfied itself that the price to be charged by the Licensee for gas to be exported by it is just and reasonable in relation to the public interest,

NOW THEREFORE the National Energy Board, pursuant to section 82 of the Act, hereby issues this licence to Pan-Alberta Gas Ltd. for the exportation of gas at a place on the international boundary line between Canada and the United States of America near Monchy in the Province of Saskatchewan.

This licence is subject to the following terms and conditions:

1. The term of this licence shall commence on the 1st day of November, 1984, and end on the 31st day of October, 1987.

2. The quantity of gas that may be exported under the authority of and in accordance with this licence shall not exceed:

(a) for the period commencing on the 1st day of November, 1984 and ending on the 31st day of October, 1985, 6,232,100 cubic metres in any one day, or 2,073,600,000 cubic metres in the period;

(b) for the period commencing on the 1st day of November, 1985, and ending on the 31st day of October, 1986, 12,464,000 cubic metres in any one day, or 4,147,200,000 cubic metres in the period;

(c) for the period commencing on the 1st day of November, 1986, and ending on the 31st day of October, 1987, 5,091,300 cubic metres in any one day, or 1,694,000,000 cubic metres in the period, or

(d) 7,914,800,000 cubic metres during the term of this licence.

3. As a tolerance, the amount the Licensee may export under this licence may, in any 24-hour period, exceed the daily limitation imposed in condition 2 by two per cent of such amount.

4.(1) The price to be received for gas exported in each month comprised in the term of this licence, including all transmission costs of moving gas to the international boundary line between Canada and the United States of America, shall be not greater than and not less than the Canadian dollar equivalent for each such month of $4.17 in United States currency per gigajoule of gross heating value.

(2) The Canadian dollar equivalent for each month comprised in the term of this licence shall be an amount in Canadian dollars equal to the price in United States dollars specified in subcondition (1), converted to Canadian dollars at the rate of exchange for each such month, which rate of exchange shall be the average of the noon spot exchange rates for the United States dollar in terms of Canadian dollars in each month, as published by the Bank of Canada.

5. Gas exported under the authority of and in accordance with this licence shall be delivered to the point of export near Monchy, in the Province of Saskatchewan, through the pipeline systems of Foothills Pipe Lines (Alta.) Ltd. and Foothills Pipe Lines (Sask.) Ltd.

6. The quantity, relative density and gross heating value of all gas exported under the authority of and in accordance with this licence shall be measured by the Licensee in a manner approved by the Board.

7. The Licensee shall, within 15 days of the end of each month comprised in the term of this licence, file with the Board a report setting forth the daily quantities, relative density and gross heating value of the gas exported hereunder.

NATIONAL ENERGY BOARD

Brian H. Whittle,
Secretary.

LICENCE NO. GL-63

IN THE MATTER OF an application by Pan-Alberta Gas Ltd. (hereinafter called "the Licensee") pursuant to the provisions of the National Energy Board Act (hereinafter referred to as "the Act") for a licence under Part VI thereof for the exportation of gas, under File No. 1537-P23-4.

BEFORE the Board on Monday, the 14th day of April, 1980.

WHEREAS an application dated the 12th day of February, 1980, has been made by the Licensee to the National Energy Board under Part VI of the Act for a licence for the exportation of gas at a place on the international boundary line between Canada and the United States of America near Kingsgate in the Province of British Columbia,

AND WHEREAS a public hearing has been held, commencing on the 18th day of March, 1980, at which the Licensee and other interested parties have been heard,

AND WHEREAS the Board has satisfied itself that the quantity of gas to be exported does not exceed the surplus remaining after due allowance has been made for the reasonably foreseeable requirements for use in Canada,

AND WHEREAS the Board has satisfied itself that the price to be charged by the Licensee for gas to be exported by it is just and reasonable in relation to the public interest,

NOW THEREFORE the National Energy Board, pursuant to section 82 of the Act, hereby issues this licence to Pan-Alberta Gas Ltd. for the exportation of gas at a place on the international boundary line between Canada and the United States of America near Kingsgate in the Province of British Columbia.

This licence is subject to the following terms and conditions:

1. The term of this licence shall commence on the 1st day of November, 1980, and end on the 31st day of October, 1987.

2. The quantity of gas that may be exported under the authority of and in accordance with this licence shall not exceed:

(a) for the period commencing on the 1st day of November, 1980 and ending on the 31st day of October, 1983, 931,500 cubic metres in any one day, or 340,000,000 cubic metres in any consecutive twelve month period ending on the 31st day of October; the total quantity of gas

exported under this Licence during this period shall be taken from and reduce by the same amount the quantity of gas authorized to be exported during the balance of the term of this licence;

(b) for the period commencing on the 1st day of November, 1983, and ending on the 31st day of October, 1984, 1,869,700 cubic metres in any one day or 622,100,000 cubic metres in the period;

(c) for the period commencing on the 1st day of November, 1984, and ending on the 31st day of October, 1985, 3,739,400 cubic metres in any one day, or 1,244,200,000 cubic metres in the period;

(d) for the period commencing on the 1st day of November, 1985, and ending on the 31st day of October, 1986, 2,528,300 cubic metres in any one day, or 841,200,000 cubic metres in the period, plus an additional quantity of gas subject to condition 3 of 3,080,700 cubic metres in any one day, or 1,025,000,000 cubic metres in the period;

(e) for the period commencing on the 1st day of November, 1986, and ending on the 31st day of October, 1987, 5,786,400 cubic metres in any one day, or 1,925,300,000 cubic metres in the period, plus an additional quantity of gas subject to condition 3 of 1,692,000 cubic metres in any one day, or 563,000,000 cubic metres in the period;

(f)6,220,800,000 cubic metres during the term of this licence.

3. The additional quantities of gas authorized for export during the periods specified in paragraphs (d) and (e) of condition 2 shall be subject to having the quantities authorized for export reduced by the Board should deliverability be insufficient to meet the Canadian requirements and authorized exports.

4. As a tolerance, the amount the Licensee may export under this licence may, in any 24-hour period, exceed the daily limitation imposed in condition 2 by two per cent of such amount.

5.(1) The price to be received for gas exported in each month comprised in the term of this licence, including all transmission costs of moving gas to the international boundary line between Canada and the United States of America, shall be not greater than and not less than the Canadian dollar equivalent for each such month of $4.17 in United States currency per gigajoule of gross heating value.

(2) The Canadian dollar equivalent for each month comprised in the term of this licence shall be an amount in Canadian dollars equal to the price in United States dollars specified in subcondition (1), converted to Canadian dollars at the rate of exchange for each such month, which rate of exchange shall be the average of the noon spot exchange rates for the United States dollar in terms of Canadian dollars in each month, as published by the Bank of Canada.

6. Gas exported under the authority of and in accordance with this licence shall be delivered to the point of export near Kingsgate, in the Province of British Columbia, through the pipeline systems of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) Ltd., Alberta Gas Trunk Line Company Limited and Alberta Natural Gas Company Ltd.

7. The quantity, relative density and gross heating value of all gas exported under the authority of and in accordance with this licence shall be measured by the Licensee in a manner approved by the Board.

8. The Licensee shall, within 15 days of the end of each month comprised in the term of this licence, file with the Board a report setting forth the daily quantities, relative density and gross heating value of the gas exported hereunder.

NATIONAL ENERGY BOARD

Brian H. Whittle,
Secretary.

P.C. 1980-1967
17 July, 1980

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Minister responsible for the Northern Pipeline Agency, pursuant to subsection 20(4) of the Northern Pipeline Act, is pleased hereby to approve the annexed Order No. NPO-2-80 made by the National Energy Board on the 2nd day of April, 1980.

ORDER NO. NPO-2-80

IN THE MATTER OF the Northern Pipeline Act and the Regulations made thereunder;

AND IN THE MATTER OF amending condition 12 of Schedule III, pursuant to subsection 20(4) of the Northern Pipeline Act.

BEFORE the Board on Wednesday, the 2nd day of April 1980.

WHEREAS the Board may amend any condition set out in Schedule III to the Northern Pipeline Act, pursuant to subsection 20(4) of the Act, subject to such amendment being effective with the approval of the Governor in Council;

AND WHEREAS condition 12 of Schedule III of the Northern Pipeline Act does not provide for the commencement of construction of a portion of the pipeline where the financing of the whole has not been obtained;

AND WHEREAS the Board considers that the provisions of condition 12 of Schedule III do not encompass the circumstances related to the pre-building of the southern sections of the pipeline and without in any way changing or altering the requirements under paragraph 4 of the Agreement set out in Schedule I of the Northern Pipeline Act.

NOW THEREFORE the National Energy Board, pursuant to subsection 20(4) of the Northern Pipeline Act, hereby amend Schedule III of the Northern Pipeline Act in accordance with the schedule attached hereto.

DATED at the City of Ottawa, in the Province of Ontario, this 2nd day of April, 1980.

NATIONAL ENERGY BOARD

Brian H. Whittle
Secretary

SCHEDULE

Condition 12 of Schedule III to the *Northern Pipeline Act* is rescinded and the following substituted therefore:

"12. (1) The company shall, before the commencement of construction of the pipeline,

(a) file with the Minister and the Board evidence that the company has been incorporated in Canada and is not a non-eligible person within the meaning of the *Foreign Investment Review Act* as that expression was defined in that Act on April 13, 1978;

(b) establish to the satisfaction of the Minister and the Board that financing has been obtained for that portion of the pipeline, hereinafter referred to as the pre-build sections, that will be used for the transmission of Canadian natural gas to the United States prior to the completion of the pipeline;

(c) establish to the satisfaction of the Minister and the Board that financing of that portion of the pipeline other than the pre-build sections, hereinafter referred to as the northern section, can be obtained to enable the pipeline to be completed before the end of 1985 and that protection can be provided against risk of non-completion of the pipeline and interruption of construction on a basis acceptable to the Minister and the Board; and

(d) file with the Minister and the Board documents relating to the financing obtained for the pre-build sections and such documents shall include all relevant contracts and instruments.

(2) The company shall, before commencing construction of that portion of the pipeline other than the pre-build sections,

(a) establish to the satisfaction of the Minister and the Board that financing has been obtained for the northern section and such financing includes protection against risk of noncompletion of the pipeline and interruption of construction on a basis acceptable to the Minister and the Board;

(b) file with the Minister and the Board all documents relating to the financing of the pipeline not already filed pursuant to 12(1)(d); and

(c) provide evidence to the Minister and the Board that debt instruments issued in connection with the financing of the pipeline do not contain a provision requiring the consent of the holders of those debt instruments to the financing of the construction of the Dempster Line referred to in the Agreement or any other provision, apart from normal trust indenture provisions generally applicable in the pipeline industry, that would prohibit, limit or inhibit the financing of the construction of the Dempster Line."

EXPLANATORY NOTE

This note is not part of Condition 12 but is intended for information purposes only

The amendment to Condition 12 of Schedule III to the Northern Pipeline Act requires that Foothills Pipe Lines (Yukon) Ltd. establish to the satisfaction of the Minister responsible for the Northern Pipeline Agency and the National Energy Board that financing has been obtained for "pre-build" facilities and can be obtained for the remainder of the pipeline in Canada so as to complete it by 1985.

HOUSE OF COMMONS

Monday, July 21, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

DISABLED AND THE HANDICAPPED

EXCLUSION OF NORTHWEST TERRITORIES FROM ITINERARY OF SPECIAL COMMITTEE—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43 on a subject which I feel is sure to be supported by all members of the House. Whereas the special committee of the House of Commons on the disabled and the handicapped has published its proposed itinerary in which it plans to travel to every province in Canada and to the Yukon Territory but for some reason has declined to visit the Northwest Territories, and whereas the Northwest Territories, which has always taken a special interest in this subject, takes serious exception to this exclusion, I move, seconded by the hon. member for Peterborough (Mr. Domm), in the absence of the hon. member for Brandon-Souris (Mr. Dinsdale):

That the special committee of the House of Commons on the disabled and the handicapped travel to the Northwest Territories as well as to other territories and provinces.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

INSTALLATION OF MOBILE AIR CONDITIONING UNITS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my motion also is being put under the provisions of Standing Order 43 and arises out of the fact that we are here today on Monday, July 21. In order to destroy once and for all the hollow myth that the NDP is so fond of nurturing to the effect that they and they alone are the great defenders of the working people of this country, and in particular of the staff of Parliament, and yet it was the NDP which, on its own, took action which will extend unduly this session of Parliament and require the staff to remain at their post through the muggy heat of Ottawa's humid summer weather, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That during this NDP motivated prolongation of the current session of Parliament, mobile air conditioning units be installed in the English and French *Hansard* offices and the interpreters' booths where working conditions can best be compared to those to which Dante condemned mortal sinners in Inferno into which is injected superheated steam.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NEW DEMOCRATIC PARTY

PROFIT-MAKING VENTURE WITH U.S. MULTINATIONAL CORPORATION—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Nanaimo Commonwealth Association, the financial arm of the Nanaimo NDP Association, is planning on building a $4.5 million complex and signing a joint venture agreement with the U.S. multinational Ramada Inn for a $12 million hotel in that city, and in view of the fact that the Canada Elections Act provides for a return on expenses to local executives at the expense of the taxpayer, I move, seconded by the hon. member for Capilano (Mr. Huntington):

That this House call upon the national Leader of the NDP to explain this obvious contradiction between that party's stated abhorrence for multinationals and their profit-seeking venture with them and do further request from him assurances that no moneys which have come to the riding executives by virtue of the Canada Elections Act be invested in this profit-making venture of the NDP.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

DISABLED AND THE HANDICAPPED

CLOSURE OF MANPOWER CENTRE IN REGINA, SASK.—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I also rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. At the end of June of this year, the Regina handicapped manpower centre was closed down. This centre, funded by the Outreach program of the Department of Employment and Immigration, successfully placed over 1,500 physically handicapped people since its inception in 1973. Its success can be attributed to the fact that handicapped people helped to find employment for other persons in the same position. I therefore move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House condemns the government for its backward attitude in not providing further funding for the Regina handicapped manpower centre, and that this House urge the government to employ handicapped people's organizations to provide placement and counselling services for the handicapped.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

AUTOMOTIVE INDUSTRY

INVESTIGATION INTO CARBURETTOR DESIGN—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on an urgent and pressing matter under the provisions of Standing Order 43. Whereas carburettors and the weight of the vehicle are the two main factors in determining gas consumption, leaving out pollution for the moment; whereas carburettors in Japan provide 62.4 miles per gallon and in Canada we are aiming at 28.8 miles per gallon; whereas periodically individuals claim they have sold rights to carburettor designs to multinational automobile companies that would give a much higher mileage per gallon gasoline ratio, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the Department of Transport undertake an investigation for the purpose of ascertaining if indeed the automobile giants have purchased and are holding designs for carburettors that would conserve large volumes of gasoline and, furthermore, if such is found to be the case, that any said company be charged with criminal conspiracy, irrespective of how much money they paid for the said design.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FISHERIES

PROGRAM TO INCREASE NUMBER OF FISHERIES OFFICERS—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43. Given the knowledge that the British Columbia salmon industry is experiencing its worst year in a decade; given the additional knowledge that part of the decline of fish stocks results from widespread violations of the Fisheries Act by some users and abusers of the resources and by habitat destruction; given the fact that fisheries officers find it increasingly difficult to carry out their complex enforcement work as well as their administrative and survey work; recognizing that government restraint has resulted in a totally inadequate number of fisheries officers to protect the salmon industry of British Columbia, I move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That this House urge the government to implement immediately a program that will radically increase the number of fishery officers in the field, form teams of investigation officers for the purpose of collecting evidence and laying charges, and to introduce changes in legislation that will give fisheries officers confidence that their work indeed will be productive in protecting our salmon resources.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONSUMER AFFAIRS

SUGAR CONSPIRACY PROSECUTIONS—COMMENTS OF MINISTER ON SUPREME COURT OF CANADA DECISION—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise under the provisions of Standing Order 43. Last week the Supreme Court of Canada threw out the convictions of three major sugar companies for conspiring to lessen competition between 1969 and 1973. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) previously has been involved in contempt of court proceedings concerning the sugar conspiracy prosecutions, and while this cabinet may now contain more men of conviction than any other cabinet in the history of Canada, in order to support the contention of the Prime Minister (Mr. Trudeau) last Friday that being a Liberal is not a crime in this country I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House direct the Minister of Consumer and Corporate Affairs to desist from making any comments with respect to the decision of the Supreme Court of Canada on prosecutions of certain sugar companies for conspiring to lessen competition between 1969 and 1973.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PUBLICATION OF SITTING DATES FOR HOUSE AND COMMITTEES—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my motion under Standing Order 43 is as follows. The lack of firm sitting dates for the House of Commons, such as are found in other legislative forums, denies members of Parliament of all parties the ability to plan properly constituency activities which in many instances are frequently as important as activities within the House of Commons. Therefore I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the government announce by the first week of each session the dates upon which the House shall sit and that the calendar year allocated for sittings of House and committees be published one year in advance.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

RECYCLING OF NEWSPRINT DISCARDED FROM PARLIAMENTARY OFFICES—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I rise under the provisions of Standing Order 43. Since it is in the interests of all Canadians that we conserve and reuse resources to the largest extent possible; since a successful paper recycling project is at present in place on Parliament Hill but does not include newspapers; since members of Parliament and their staffs now use many newspapers which at present must be discarded; since there are now successful newspaper recycling projects in operation in at least two communities in the national capital region, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the House recognize the need to take all possible steps to conserve our natural resources and request the officials of the House to take such measures as are necessary to ensure recycling of newsprint discarded from their parliamentary precincts.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

POST OFFICE

CAMPBELLVILLE, ONT.—DELIVERY OF MAIL IN ACCORDANCE WITH REGULATIONS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Campbellville post office in my constituency of Halton has taken upon itself to return all mail not marked "general delivery", even though the names, addresses and postal codes are marked properly thereon, and because the Postmaster General (Mr. Ouellet) has failed to respond to my request to investigate this matter, I move, seconded by the hon. member for Perth (Mr. Jarvis):

That this House direct the Postmaster General to have his officials look into this matter forthwith and at the same time instruct the Campbellville postmaster to have all mails delivered in accordance with general postal regulations.

Madam Speaker: The motion can be put to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR DISPUTES

NEWFOUNDLAND FISHING INDUSTRY—INQUIRY AS TO GOVERNMENT ASSISTANCE

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is addressed to the Minister of Fisheries and Oceans. As he knows, the fishing industry in Newfoundland is virtually at a standstill as a result of a legal strike by the fishermen's union at two plants, triggering a lockout at the remaining plants and thereby placing 12,000 plant workers and 8,000 fishermen out of work. Have the hon. gentleman's good offices or those of his department been called upon to assist the government of Newfoundland, which exercises principal jurisdiction here, in putting an end to this very costly dispute?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the hon. member has recognized the jurisdiction of the provincial government of Newfoundland. About a month ago I met the Newfoundland minister of fisheries and, in view of this looming deadlock between the fishermen and the processors, I put to him a suggestion that an industrial inquiry or some other form of inquiry might serve to cool tempers down and put all the facts on the table. I offered the full co-operation of my department in terms of making statistics and personnel available to inform the public, the fishermen and the processors of everything we knew. I regret very much that the Newfoundland minister of fisheries and the govern-

ment of that province did not see fit to follow through that idea and I regret very much that the fishermen, especially the inshore fishermen, will find it very difficult to dispose of this catch of cod which is rather plentiful at this time.

Mr. McGrath: Now that we have a full-scale shutdown of the industry at the height of the inshore season, and given the tragic consequences this could have for our fishermen, especially this coming winter, has the minister considered making provision to enable the Canadian Saltfish Corporation to buy over-the-side fish which could be salted, given the excellent market for good quality saltfish?

Mr. LeBlanc: When events seemed to forecast a strike I asked the corporation to make sure that the extra supply of salt which might be required was put into reserve. This was done. I also asked the corporation to envisage the measures it would undertake if, in fact, there was delivery of fish to its agents which they could not handle. As hon. members know, through an act of this Parliament the corporation must buy all the cured fish offered to it by fishermen. Of course, I will support the corporation in its endeavour to meet the needs of the fishermen. This being said, I must add that if the industrial dispute is prolonged even the best efforts of the corporation will not fully meet the needs.

Mr. McGrath: Has the minister measured the impact which this costly shutdown could have on our principal, indeed our only, market for frozen groundfish—the U.S. market?

• (1420)

This leads me to ask the minister if he is in a position to tell the House and the country whether or not he has succeeded in reopening negotiations with the European Economic Community which, as he knows, went off the rails a few months ago, in an effort to get tariff concessions to have access to Canadian groundfish and to that very important market?

Mr. LeBlanc: Madam Speaker, negotiations with the community have not gone as well as we would have liked. The fact is that in terms of bargaining for access to the Canadian zone as against access for Canadian products entering the community, we felt the price which was asked was a bit high. Our industry representatives, both union and processors, felt that we should take some time to reflect and re-examine market conditions. It is obvious that we may find ourselves with a very low inventory if the plant closures predicted by the hon. member and which appear to be inevitable take place right now.

The problem with the community is really one of judgment as to whether the price which has been asked of Canada is reasonable or is too high. That certainly must be a subject of discussion with all representatives of the industry, and I hope they will take place in a more serene atmosphere than what we now have in Newfoundland.

EXTERNAL AFFAIRS

ALBACORE TUNA—APPROACHES MADE BY UNITED STATES NEGOTIATORS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is supplementary, but it is directed to the Secretary of State for External Affairs. There are fairly reliable indications that the albacore tuna will again be in Canadian waters within the next ten days or so. If these tuna are followed by U.S. fishermen, the fishermen could be arrested. There are also indications that the U.S. negotiators on fisheries and boundary matters on the west coast have made offers, on at least one and possibly two occasions, to enter into negotiations with regard to the albacore tuna to avoid a head-on clash.

Could the minister tell the House whether or not he is aware of these approaches and, if so, what his response has been and, if not, what steps he will take to ensure himself that we are not faced with a head-on clash once again?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we have not yet begun negotiations with the United States. We are hoping to do soon. The American position has not been entirely satisfactory to us, but we look forward to good negotiations.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, is the Secretary of State for External Affairs aware that a head-on clash at this time with the arrest of U.S. fishermen in Canadian waters could extend the embargo against the landing of fish, not just of tuna but of other species, in U.S. ports to the detriment of all fishermen on both coasts?

Mr. MacGuigan: Madam Speaker, there is considerable question as to whether U.S. action of that kind is legitimate under GATT. We are investigating our rights in that respect.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, will the Minister of Fisheries and Oceans consult with his colleague, the Secretary of State for External Affairs, in order to determine the state of play here on the albacore tuna matter—because it is only a few days off—rather than have a head-on collision and the possible danger which he recognizes, if the Secretary of State does not and, also, in order to give the Canadian tuna fishermen an opportunity to reap some of the harvest which will be available on the west coast.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, obviously, I have been in close consultation with my colleague. This situation exemplifies the sort of support one can find on one coast for negotiations on another coast. In fact, it is the New Brunswick industry which has been the subject of tariff impact from the United States. But recognizing the importance of these negotiations for Canadian fishermen generally, there have been very few complaints from New Brunswick. Of course, we recognize the importance of the issue, but surely the hon. member does not advocate giving in to the sort of pressure which he is advocating.

● (1425)

NORTHERN PIPELINES

ALASKA GAS PIPELINE—CABINET DECISION ON PRE-BUILD SECTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, we have had a weekend to read the interesting set of letters tabled on Friday afternoon by the Minister of Energy, Mines and Resources. In his letter to President Carter of March 12 when referring to the United States portion of the Alcan pipeline, the Prime Minister indicated that the United States should "resolve the Alaska financing promptly."

Considering that it took more than four months and an impending parliamentary recess in our country to produce a totally non-committal letter from President Carter last Thursday that included no specific guarantee of the Alaskan portion of the pipeline either in the form of annual timetabling for the construction or for the financing, why, in the face of a refusal to meet his request, did the cabinet agree to the pre-building of a portion of the pipeline only?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think it is important for the hon. member to realize that this letter which, as he says, took four months was not the first reply that I had from President Carter. I was writing him in March in answer to a letter from him dealing with the Olympics matter at that point and other subjects. I said "That is fine, we are going to look at that, but I also want you to look at certain things too". He phoned me at least a couple of times before writing this letter and I talked to him in Venice on it. This was a series of answers by the President. The final letter, I think, brought together in one place as strong an affirmation and commitment to policy as one could expect to get from the President of the United States, who is not himself involved in the financing but who expresses the political will of the administration after it had been obtained from Congress, to ensure that the whole pipeline be built. That is the context in which this letter was written.

Mr. Broadbent: Madam Speaker, it may present to us what the Prime Minister describes as the political will of the President, but I repeat, it contains not one word of guarantee either in terms of timetabling on an annual basis of the construction or guarantee in terms of the financing which the Prime Minister said in his March 12 letter was important to him. So what he asked for, he did not get.

I should like to put a second question to the Prime Minister. Last year, as the Prime Minister may be aware, the then secretary of energy, Mr. Schlesinger, as reported in the document entitled "Report to the Congress" by the comptroller general of the United States, in reply to a question about the level of guarantees, said that "$2 to $3 billion would appear to be an adequate level of guarantee" in financing the $8 billion portion of the pipeline that is in Alaska alone.

Considering that Mr. Schlesinger said a year ago that $2 to $3 billion were required as a guarantee for that portion, a small part of the pipeline, why did the Government of Canada accept as a guarantee required by the law of Canada an amount of money that is a mere fraction of this $2 billion to $3 billion as a guarantee?

Mr. Trudeau: Madam Speaker, I quoted Secretary Schlesinger myself earlier saying words to that effect. That was in the context of building the whole pipeline. Naturally, if the whole pipeline were going to be built more or less at the same time, this type of guarantee would have been forthcoming and there would have been no need to amend condition 12 of annex 3. It is because the government had to respond to a particular request for building just part of the pipeline, which request was entertained and accepted by the National Energy Board, that the government then had to make the other decision, in view of the fact that the whole thing is not going together at the same time, namely do we have enough guarantees (a) that the pre-build will be financed, and (b) that the whole thing can be financed?

It seems to me the hon. member is begging the principle when he argues that indeed if the whole thing were going ahead we would have had more money on the table. But the whole thing is not going ahead at the same time. We are dealing with the question of building one part of it. It is the financing of that part which is necessary and required and which is present. It is the expression that the whole thing can be financed that this government had to make a decision on. That decision was based on the fact that we had more, in a sense, than financial guarantees about something that would happen two or three years down the road; we had the absolute guarantee of the President of the United States and of the Congress that they had the political will to see this thing proceed. That is the position of this government.

● (1430)

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, in the Prime Minister's letter, he himself states:

> —the Canadian Government cannot, under the Northern Pipeline Act, authorize the construction of any part of the line, including pre-build, until it is assured that the entire line will be completed.

Mr. Schlesinger said that $2 to $3 billion was required as a guarantee for a small part of the line. With all due respect to the Prime Minister, I would suggest to him that if $2 billion to $3 billion is required for a small part, even more than that sum should be required as a guarantee for the whole, which is an essential pre-condition for building the part of the pipeline on which the government is going ahead.

Some hon. Members: Hear, hear!

Mr. Broadbent: As a final question, since clause 21 of the new freedom of information bill, introduced recently by the government, will enable Canadians to have access to cabinet documents that are relevant to the government's decision-making process, keeping in mind that that bill, of course, is not yet law, but to test the spirit of the Government of Canada and its willingness to comply with those principles, I would like to ask

the Prime Minister if he will now table in the House all the documents that were relevant to the cabinet in reaching the decision that it made last Thursday?

Mr. Lalonde: They were annexed to *Hansard*.

Mr. Trudeau: Madam Speaker, as to the preamble to the question, I just want to point out to the hon. member that he is right in saying when I wrote in March that those were the laws which then stood. He knows, because he has been told many times and it has been debated in this House, that that law, being condition 12 of annex 3, has since been changed, under the provisions of the act, by the National Energy Board.

Some hon. Members: Oh, oh!

Mr. Trudeau: If Parliament authorized the law to be changed under certain conditions and those conditions are fulfilled, then it is the law that applies. I repeat to the hon. member that since my letter was written in March, talking about the financing of the whole, there have arisen conditions where the NEB and many interests in Canada have said "Okay, that is for the whole line, but we want the government to address the problem of the pre-build," which we have done since then.

As to the question about tabling of documents, I understand that most of these documents have already been annexed to *Hansard*. But if there are other documents which, under the freedom of information act, should be made public, I can assure the hon. member that they will be made public.

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ENERGY

GOVERNMENT POSITION ON CONSERVATION

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In 1975 at the beginning of the first attempted major energy conservation program, the then minister of energy, the hon. Donald Macdonald, was quoted as saying:

The government is not asking Canadians to shiver in cold houses, stumble about in the dark or suffer hardship.

Would the Minister of Energy, Mines and Resources, after we have had five years of increasing oil imports and prices, international shortages and decreasing domestic oil supplies that have left us on the brink of crisis, be willing to admit to the House that his government has not had a real national energy policy?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): No, Madam Speaker.

[*English*]

Mr. Gurbin: Madam Speaker, my supplementary is again directed to the Minister of Energy, Mines and Resources. Will the minister admit to the House that his conservation program is really just an off-oil program and that during this parliamentary recess he is going to spend $12 million on PR to explain it instead of bringing forward major conservation efforts?

Mr. Lalonde: Again, Madam Speaker, I would have to answer no. However, I might expand by saying that we have a conservation program and policy in this country which has been examined and lauded by many other countries. Whether it is in the area of the home insulation program, the area of substitution off-oil, the area of helping citizens, and industry in particular, to reduce the energy component in units of output, the Government of Canada has been providing leadership with the co-operation of industry and of private citizens in this country. I hope that in the weeks to come the government will be able to enlarge and expand those opportunities. I hope also that we will be able to start the alternate energy corporation in such a way that Petro-Canada will have a subsidiary which will provide additional leadership in this area. I could go on enumerating other actions of this government and other very good developments which have produced excellent results for this country.

FUNDS ALLOCATED TO NATIONAL RESEARCH COUNCIL SOLAR PROGRAM

Mr. Bill Wright (Calgary North): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources. Is the minister aware that the National Research Council solar program could not fully use its allocated $10 million budget in the last fiscal year?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, for the most part this would have been under the Conservative administration, and I will have to inquire from my predecessor as to why he allowed such a situation to develop.

Mr. Hnatyshyn: Spend, spend, spend.

Mr. Lalonde: I can assure him that when the alternate energy corporation is set up we will have an organization that will be concentrating exclusively on new forms of energy, and that solar energy will be one of the areas where that corporation is going to be able to concentrate.

Mr. Wright: Madam Speaker, that sounds like another flip-flop on the part of this government. The minister of energy should know that the fiscal year ends in March. As this shows a failure to appreciate the requirements of managing a research facility and also demonstrates in part the reasons why we are falling behind in energy technology, will the minister consult with the Minister of State for Science and Technology to help him understand and make better use of resources already allocated?

Mr. Lalonde: Madam Speaker, again I would have to put the blame on the previous minister of science and technology under the previous government for what happened last year. I

can assure the hon. member that the present Minister of State for Science and Technology is very much aware of the situation in this regard. He is very conscious of encouraging research in the energy field and increasing research and development generally in this country, as was made clear when the minister announced increased funding in the area of research and development generally in this country under this government.

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NORTHERN PIPELINES

PROVISION OF NATURAL GAS LINE IN CANADA FROM COAST TO COAST

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. I gather from statements made by the minister that he recognizes the infinite value of energy self-sufficiency. If I read the statements of the minister and his colleagues correctly, they appear to appreciate the immeasurable potential for economic development if we in Canada were able to provide a guaranteed source of competitively priced energy from coast to coast.

I ask the minister on what day in which year will the government proceed with the building of a pipeline linking the natural gas fields of Alberta and Saskatchewan to consumers on both the east and west coasts, so that we get the benefits that I have mentioned and which the minister has mentioned, and in addition get the benefit of both short and long-term employment opportunities?

Mr. Hnatyshyn: Where do you stand on the pre-build?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am pleased to note the interest of my hon. colleague in energy self-sufficiency and independence. I remind him, however, that the government has already announced the extension of the natural gas pipeline to Quebec and we have indicated that its extension to the maritimes and to Halifax was a high priority of this government and it was the option that we favoured.

However, the hon. member is aware of the reservations expressed by the National Energy Board about it. We are considering the situation and we hope to be in a position to announce later some specific decisions in that respect. As regards conditions on the west coast, especially on Vancouver Island, I have already met twice my colleague the British Columbia energy minister and I hope that the project will be carried out in the very near future. Indeed, the appropriate British Columbia board will be holding hearings on that issue this fall, if I am not mistaken.

• (1440)

[*English*]

On both aspects, whether on the east coast or the west coast, this government is indeed very involved. We are talking to the people concerned. As I said, we are attaching very great importance to this.

Mr. Deans: Madam Speaker, the minister appears to recognize that energy is now, and no doubt will remain, the single most important resource any country can have.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Tell us about the pre-build.

Mr. Deans: Recognizing that economic development, employment and quality of life would be directly affected by the availability of competitively priced energy, not only now but into the future, how then can the government speak about Canada having a surplus energy resource that we could well use to develop our country for the next 50 years?

Mr. Baker (Nepean-Carleton): Tell us about the steel workers.

Mr. Lalonde: Madam Speaker, this government indeed attaches a great deal of importance to energy, but before saying that energy is of the most important value in this country, as far as this government is concerned the people of Canada are the first value.

Some hon. Members: Hear, hear!

Mr. Lalonde: That means providing the people of Canada with jobs and income that are fair, preventing inflation from going too high and ensuring growth in this country. If I may leave the preamble of the hon. member's question after this important clarification as to at least the difference between our respective parties, I remind him that energy exports like other exports are related to a broad economic policy. You have to take into account the benefits for the whole of Canada. This is something that the hon. member may not understand but that the NDP government of Saskatchewan understands.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: The NDP government of Saskatchewan has approved very substantial exports of heavy oil.

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EXTERNAL AFFAIRS

GARRISON DIVERSION PROJECT—INQUIRY WHETHER GOVERNMENT ASSURED PROJECT UNLIKELY TO BE COMPLETED

Mr. Norman Kelly (Scarborough Centre): Madam Speaker, my question is addressed to the Secretary of State for External Affairs. According to press reports of mounting opposition

with the U.S. government to the final phase of the Garrison diversion project, can the minister tell the House whether he has received official assurances that the project is unlikely to be completed?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the assurances that we have received have not been as to whether the project will go ahead, but that the money which has been voted by Congress this year will not be spent on any aspect of it which will affect Canada injuriously.

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ECONOMIC SUMMIT

LOCATION OF 1981 CONFERENCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a question for the Prime Minister. Canada will host the 1981 summit conference. He did not bother to address us when he came back from the last one. Can the Prime Minister indicate why only Montreal and Vancouver are being considered as a site for that conference? Will he give some consideration, as the previous government did, to recognizing that there are other parts of Canada, including Atlantic Canada? The city of Halifax would make an excellent site.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is news to me that Montreal and Vancouver are being considered in any specific way. I believe that various sites are being looked at. Consultations will then have to take place with the other participants in the summit as to the type of locale we would want to propose.

Mr. Forrestall: Obviously the Prime Minister is not interested in the location of the summit. I would direct a more specific question to the Secretary of State for External Affairs. Is there a short list of locations for the economic summit? If so, will he give us an indication of what that list is? At the same time, will he tell us whether this government is prepared to recognize that Atlantic Canada exists by considering the city of Halifax, with all of its amenities, for the site of the 1981 summit?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, not only does this government recognize that Atlantic Canada exists, but the people of Atlantic Canada recognize that this government exists, as evidenced by the number of Liberal members here.

Some hon. Members: Hear, hear!

Mr. MacGuigan: There is not yet a short list. We are at a more preliminary stage. I understand that the provinces of Quebec and British Columbia have suggested to the federal government that they each would like to host the summit. Our consideration is not limited to those provinces; we are looking at the whole country.

INCOME TAX ACT

GREATER DEGREE OF EQUITY AND FAIRNESS TO NORTHERN RESIDENTS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is addressed to the Minister of Finance whom we welcome back to the House. We all join in wishing him a complete recovery.

Some hon. Members: Hear, hear!

Mr. Oberle: I wish to ask him a question with regard to a commitment made by the Prime Minister in the Speech from the Throne, namely to make certain fundamental changes to the Income Tax Act in conjunction with certain principles of equity and fairness. Is it the minister's intention, in the preparation of a budget and preparing the changes to the Income Tax Act, to take into account the discriminating aspects of the Income Tax Act as it applies to northern residents? Are there any changes that would establish a two or three tier tax system similar to that in Australia to help northerners achieve a greater degree of equity and fairness?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would like to thank the hon. member for his words of welcome on my return to the House and to tell him that I find the House easier to bear when I am here rather than when I am away.

Mr. Nowlan: For us it is just the reverse.

Mr. MacEachen: I want to tell the hon. member that this very morning I had a discussion with the Minister of National Revenue on the subject of taxation of northern benefits. We both agreed that it was a matter that ought to be discussed before the preparation of a budget. I am glad to know the hon. member shares that opinion.

Mr. Oberle: Madam Speaker, my question relates to a more universal approach than simply compensation for federal public servants and an elite group of northerners who happen to work for large corporations. Will the government consider a more universal approach which takes into account a section of the Income Tax Act that requires the levy of income tax in accordance with one's ability to pay? In other words, is the government considering a more universal approach which would give certain concessions to northerners on a more universal basis, not just to an elite group of northerners?

Mr. MacEachen: Madam Speaker, if the hon. member means by a "universal approach" that we ought to take into account all the broad factors relating to income, then that is the intention of the government.

• (1450)

SUPPLY AND SERVICES

REQUEST FOR UPDATE ON INTER-MINISTERIAL MEETINGS—FINAL PAYMENT TO METRIC OVERVIEW BOARD NOT RECEIVED

Hon. Ron Huntington (Capilano): Madam Speaker, I should like to direct a question to the minister responsible for supply and services. Can the minister update us on the inter-ministerial meetings which have been taking place pertaining to services performed and delivered to the letter of the contract, for which payment has not been received? I am specifically asking for further information on the Maritime Agencies affair. Perhaps at the same time the minister could advise us as to why the Metric Overview Board has not received its final payment for services rendered.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, with reference to the involvement of the Metric Overview Board I would be pleased to look into that matter and advise the hon. gentleman further.

In terms of the MAL matter, as the hon. gentleman is very well aware because of his own interest, that matter is under constant supervision. I am in contact and my office is in contact with the officers of MAL on almost a daily basis. I hope to be able to advise the hon. member on progress in the very near future.

The hon. gentleman may be interested in knowing that the third ship, the *Jasmine*, has now completed loading and is on the high seas.

Mr. Huntington: Madam Speaker, the issue here is very serious. The carriage contractor, Maritime Agencies Limited, has performed all services to the letter of the contract, and I have had that word from advisers directly to the minister. The problem is that the Canadian Wheat Board did not deliver the product to the ship as it lay in the berth. Is there something which is interfering with respect to the sanctity of contracts here? Every time we come back to this issue, something new comes in from left field to interfere with the process of payment. Surely the minister has had enough time now since 1978 to bring into place a payment mechanism which would relieve this company from serious potential damages?

Mr. Blais: Madam Speaker, the hon. gentleman has identified that there have been some matters in contention since 1978. He is also aware that indeed legal process has been commenced, and therefore he understands that I cannot comment in terms of the 1978 events. In terms of more recent events, as the hon. gentleman knows, the Minister of Industry, Trade and Commerce, the minister responsible for the Canadian Wheat Board and I are presently in consultation in order to reach a solution as rapidly as possible.

BUSINESS OF THE HOUSE

INQUIRY AS TO DATE OF PRESENTATION OF BUDGET

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Minister of Finance. I believe I heard him say that he had been having discussions with a cabinet colleague regarding budgetary preparation, I believe he said this morning. Does that mean that the Minister of Finance is now involved in budgetary preparation, and can he give the House of Commons a date on which a budget will be presented to this House?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the right hon. gentleman knows, the process of budget preparation is a long one. He knows that probably better than I do. I am engaged in that process at the present time but, unfortunately, I am not in a position today to indicate when the budget will be presented, although it has been my desire to present such a document as soon as all the complex factors can be brought under control.

Mr. Clark: Madam Speaker, I take that as a commitment for a budget by 1990, but the Minister of Finance will know from having watched the question period that his Prime Minister was unwilling to give us a commitment the other day. Even given the rate of inflation and the rate of unemployment in the country he was unwilling to give us a commitment that, if it was not going to be possible for us to have a budget in the early fall, there would be an economic statement indicating the general policy directions of the Government of Canada before the end of the summer. I wonder if the Minister of Finance has now had an opportunity to reconsider that exchange and whether he could give us a commitment that, if there is not a budget in the early or mid-fall, there will be an economic statement before the end of August.

Mr. MacEachen: Madam Speaker, I remind the right hon. gentleman that on April 21 I presented an economic statement to the House. Hon. members opposite have insisted on calling it a budget. Incessantly it is called a budget, and I wonder why another one is required. But I remind the right hon. gentleman that just very recently the New Democratic Party presented a motion to the House which included a vote, and on that occasion I gave quite an extensive summary of the economic situation and certainly the present attitude of the government. I remind the right hon. gentleman further that that happened within three or four months of our election to office, which did not happen in the government of which he was the leader.

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LABOUR DISPUTES

NEWFOUNDLAND FISHING INDUSTRY—INQUIRY WHETHER SALTFISH CORPORATION TO ACQUIRE ADDITIONAL VESSELS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, my question is for the Minister of Fisheries and Oceans. In view of the present fishing industry dispute in

Newfoundland which has closed some 70 fish plants around the province and left some 30,000 people out of work, and in view of the minister's comments to the hon. member for St. John's East regarding the role of the Canadian Saltfish Corporation in this dispute, I wonder if the minister can tell this House whether he is considering empowering the Canadian Saltfish Corporation to acquire additional vessels or boats to buy even more of the surplus fish which no doubt will be available in the days and perhaps weeks ahead during the course of the strike.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, as I said earlier, the Canadian Saltfish Corporation by law must buy all the fish offered to it by fishermen. In fact, there are precedents in which the corporation has utilized foreign vessels and trawlers to act as receiving stations for fish made available to it by Canadian fishermen. Of course, I would be quite willing to look at this proposal, and I might indicate that I would look at it pretty favourably.

As to the other suggestion that we should allow sale over-the-side for other fish products besides cod, this suggestion has been made in a telegram to me by the head of the fishermen's organization. I have not yet indicated what would be my reaction because I want to ascertain all the facts before I make a decision of this importance. However, at the moment this is neither accepted nor rejected.

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ENVIRONMENTAL AFFAIRS

DUMPING OF RADIOACTIVE WASTE OFF B.C. COAST

Mr. Jim Fulton (Skeena): Madam Speaker, in the absence of the Minister of the Environment my question is also addressed to the Minister of Fisheries and Oceans. As I trust the minister is aware, between 1946 and 1965 quantities of radioactive waste were dumped off the British Columbia coast into the ocean by such institutions as the University of British Columbia and the Pacific Naval Laboratory of British Columbia. In light of the fact that roughly 47,000 barrels were dumped off San Francisco during the same period of time and the fact that over 10,000 of those barrels have now burst and dumped their contents into the environment, would the minister tell this House what is the monitoring process, what responsible agencies are looking into Canadian radioactive ocean dumping and what have been the results of the monitoring of the site off British Columbia since 1965?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I do not know if I could give details to the hon. member from memory, but certainly this Parliament legislated in the area of ocean dumping some years ago. Permits must be obtained before dumping takes place, and I might say that the recent judgment—I believe it was only last Friday—of the Supreme Court of Canada sustaining part of the Fisheries Act which was being challenged also, in my view, gives the Department of Fisheries and Oceans greater leverage in imposing good behaviour on those who would dump or throw into the water substances which hurt fish.

Mr. Fulton: Madam Speaker, my supplementary question is essentially the same as my first question. I wonder if the minister could tell the House and the people of British Columbia what the monitoring process is and has been with regard to the radioactive waste which was dumped into the ocean between 1946 and 1965, and whether he would confirm that there is still radioactive waste being held in the city of Vancouver.

Mr. LeBlanc: Madam Speaker, I will undertake to look into this matter and answer the hon. member, possibly tomorrow.

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AIR CANADA

REQUEST FOR REVIEW OF SEAT SALE DESTINATIONS

Mr. Girve Fretz (Erie): Madam Speaker, my question is for the Minister of Transport. In September of this year Air Canada again will embark on a series of seat sales whereby travellers can fly at greatly reduced prices. This is, of course, good for the airline, and it is good for travellers as well. However, as some of the destinations are foreign cities, I wonder how much good these seat sales are for the Canadian travel industry.

In order for the government to promote tourism and travel in Canada will the minister agree that a review of the destinations for seat sales would be useful?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not know what my hon. friend has in mind to demonstrate by this question. Is he looking for ways of preventing foreign carriers from coming to Canada? Is that what he is trying to prevent?

Mr. Fretz: No.

Mr. Pepin: Would he then kindly repeat the question and make the point?

● (1500)

Mr. Fretz: Madam Speaker, I will again pose the question to him. Air Canada is to have a seat sale starting in September. As I have said, this is good for the airline and good for travellers. However, some of the destinations are to foreign ports. How good is this for the tourism industry in Canada? In order for the government to promote tourism and travel in Canada, which we should be doing, would the minister agree that a review of these seat sale destinations would be useful?

Mr. Pepin: Madam Speaker, I can only answer by expressing a number of generalities. The first point obviously is that we want Canadians to travel in Canada, but when my hon. friend tells me that there are special sales for Canadians to go abroad, I could say to him that there are similar opportunities for other people from abroad to come to Canada. This freedom

of travel, not only domestically but internationally, obviously is one of the objectives of Canada.

Mr. Fretz: Madam Speaker, it appears that the minister is flying by the seat of his pants—

Mr. Baker (Nepean-Carleton): At a discount.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Fretz: —on his answer to the question I posed, and I am surprised. I will try another question. Will the minister consider asking Air Canada to introduce seat sales from foreign ports to Canada? Let us have it that way, tit-for-tat, then.

An hon. Member: That is what he said.

Mr. Pepin: Madam Speaker, that is exactly what I said. I said that I thought there would be similar opportunities, and there are many of them. I have a group of French people coming from France in the fall, for example, at extremely favourable cost.

An hon. Member: On what airline?

Mr. Pepin: This is done by Air Canada. Obviously Air Canada does it both ways. But to be absolutely pleasant to my friend, I will deliver his question to the president of Air Canada and wait to see if he has a better answer than I.

An hon. Member: No doubt.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after consultation with all parties I understand there is unanimous consent to change the words in motion No. 17 in the name of the government which deals with the adjournment of the House. I should like to change the words in this motion which reads, "on July 18, 1980", to the words, "on the day that this order is adopted". It would be understood that making this change at this time would not prevent any member from subsequently proposing a motion to amend exactly this part of the motion.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, there have been those consultations. The purpose of this is to put the form of the motion more in accordance with the facts. That is agreeable to us.

Introduction of Bills

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I can confirm that there have been such consultations and that there is consent to make this change in the motion so that it will make some sense when we come to debate it today. Also I should like to confirm that our consent is given on the understanding that, when the revised motion is under debate, it will be in order to amend it to change the very words to which we are now agreeing. Indeed, as everyone knows, that is precisely what will be done in an amendment to be proposed by the hon. member for Oshawa (Mr. Broadbent).

Madam Speaker: With the reservations expressed by the hon. minister, does the House agree to this proposal?

Some hon. Members: Agreed.

Amendment agreed to.

* * *

GUNDERSEN SLOUGH HARBOUR ACT

MEASURE TO TRANSFER AUTHORITY TO FEDERAL MINISTRY

Mr. Benno Friesen (Surrey-White Rock-North Delta) moved for leave to introduce Bill C-611, to transfer control over certain lands commonly referred to as Gundersen Slough from the Fraser River Harbour Commission to the Minister of Fisheries and Oceans under the Fishing and Recreational Harbours Act.

Some hon. Members: Explain.

Mr. Friesen: Madam Speaker, I never thought I would live to see the day when I would be willing to sponsor a bill to turn something over to the government, but really that is what this bill is intended to do. Since the Fraser River Harbour Commission was formed the fishermen in Gundersen Slough have had to live under the paternalistic care of a very capricious harbour commission. I should like to see this taken out of the control of the harbour commission and put under the care of the minister.

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

* * *

[*Translation*]

SMALL LOANS ACT

MEASURE TO AMEND

Hon. Pierre Bussières (Minister of State (Finance)) moved for leave to introduce Bill C-44, to amend the Small Loans Act and to provide for its repeal and to amend the Criminal Code.

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

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise on a point of order. I want to say with respect to this piece of legislation that, speaking on behalf of our caucus, we are prepared to have this bill read a second and third time today without debate.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, speaking in the name of our caucus, we also are ready for the bill to be put through all stages as long as there is no amendment.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on the same point of order. My party has been on record throughout this session of Parliament as trying to have repeal of the Small Loans Act. Unfortunately this bill is not a repeal of the Small Loans Act but an attempt to deal with a very complicated subject, the calculation of interest under the Criminal Code.

An hon. Member: Shame.

Mr. Blenkarn: We would like to see the Small Loans Act replaced immediately without debate. We have said that on a number of occasions. Indeed there is a bill in my own name, Bill C-610 in the private members' bills, to accomplish just that purpose.

An hon. Member: That is not a point of order.

Mr. Blenkarn: This bill presented by the government requires a great deal of evidence, consultation, and debate because it is not an easy bill to understand. It is a bill that deals with the calculation of interest, but interest itself is not an easy concept. This bill should have full and complete parliamentary discussion, including evidence before committee with respect to this part of the legislation. The bill is not an easy one, and it is unfortunate that the government refuses to take the bull by the horns and abolish the Small Loans Act and do the thing the trust companies, the small loans companies—

Madam Speaker: The hon. member is entering into argument. I think he has made his point, that there is no consent to put this bill through all stages at this time.

[*Translation*]

Mr. Bussières: Madam Speaker, I regret we cannot get the support of the Progressive Conservative Party because the purpose of this bill is first to repeal the Small Loans Act, second to ensure that current loans under the law are continued and, third, it adds a provision against setting a prohibitive, criminal interest rate; I am sorry we cannot get unanimous consent to help our credit unions and caisses populaires by repealing the Small Loans Act and by passing this bill this afternoon.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I think it should be made quite clear to the House and to the government, and particularly to the government because everybody else understands it, that if the government brings in a bill the purpose of which will be to repeal the Small Loans Act, or change the wording a little in the hon. member's Bill C-610 which repeals the Small Loans Act, that bill will go through today without debate.

• (1510)

The problem—and I think it is important since the Minister of State for Finance (Mr. Bussières) is involved—is that the minister of state has for the first time introduced into the jurisprudence of the country the idea of controlling interest rates through the criminal law. That is the issue. There is no issue at all with respect to the repeal of the Small Loans Act. If the minister of state will bring in a bill later today which carries out the intention of Bill 610, it will go forward without debate because these are matters which have already been discussed. I see the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr. Evans) nodding his head. He is aware of this issue as well.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I greatly appreciate the remarks of the House leader of the Progressive Conservative opposition, but I must remind him that a provision is needed on a criminal rate precisely because there already is one in the Small Loans Act, the act we want to repeal, which authorizes police officers in Canada to prosecute those who are known as loan sharks. I would therefore ask hon. members of the Progressive Conservative Party to reconsider their objection to that clause of the bill because the only thing it does is to make sure that police officers can continue prosecuting those who charge usurious rates in Canada, and allow them, under the Criminal Code, to continue prosecuting loan sharks.

I believe that, in light of the exchange of views we have just had in the House, perhaps later on in the day the caucus of hon. Progressive Conservatives members could meet and reconsider their decision.

[*English*]

Mr. Blenkarn: A further point, Madam Speaker—

Madam Speaker: Order, please. The hon. member has already made his point. I understand there is no consent to putting this bill through all stages. It is up to the House to decide when it wants to call that bill, but I understand it will not be today.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 113, 904, 907, 963 and 998.

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

[*Text*]

GOVERNMENT OF JAMAICA—GRANTS OR LOANS

Question No. 113—**Mr. Cossitt:**

In the past six years, did the government contribute money by way of grants or loans to the government of Jamaica and, if so (a) in what amount (b) in each case (i) on what dates (ii) in what amounts (iii) what is the total to be repaid (iv) what is the interest rate being charged, if any (v) are any interest payments or principal payments in arrears and, if so, what is the amount?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): See reply to question No. 963 answered this day.

CAPITAL GAINS TAX

Question No. 904—**Mr. MacKay:**

For the year (a) 1975 (b) 1976 (c) 1977 (d) 1978, what revenue was generated for the government by the inclusion of capital gains in corporate and individual income for purposes of calculation of income tax payable and what was the additional administrative cost to the government?

Mr. Yves Demers (Parliamentary Secretary to Minister of National Revenue): (a) See question 1,699, Thirtieth Parliament, third session, tabled October 10, 1978.

	Individuals ($ millions)	Corporations ($ millions)	Total ($ millions)
(b)	160	150	310
(c)	225	190	415

(d) Estimates for 1978 are not yet available. The above are estimates of amounts of revenue received by the government attributable to the taxable portion of capital gains, based on calculations by the Department of Finance.

Since capital gains are not taxed separately, information is not available as to additional administrative cost.

PATROL VESSEL "HOWAY"—REPLACEMENT

Question No. 907—**Mr. Siddon:**

1. Did the Department of Fisheries and Oceans commission a high speed patrol vessel to be built in Vancouver to replace the patrol vessel *Howay* and, if so (a) what is the estimated cost (b) who is constructing the vessel (c) were tenders called before a contract was awarded and, if not, for what reason?

2. Was a meeting of senior masters of the west coast convened to discuss the replacement vessel or vessels for the *Howay* and, if so (a) on what date (b) what were their recommendations?

3. Is the vessel an aluminum-hull, shallow-draft vessel and is it suited to deep-sea work off the west coast?

4. What is the name of the company which holds the licence to construct this type of vessel on the east coast?

5. Was any money paid to the company which holds the propriety rights to the design and, if so, what was the amount?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):

1. Yes, the contract was signed on March 30, 1979.

(a) At a firm price of $6,447,033.68

(b) John Manly Shipyard, Vancouver, B.C.

(c) Tenders were not called. Only two Canadian shipyards are licensed to build this type of vessel and the licensees are not permitted to compete. Therefore the Department of Supply and Services entered into a negotiated contract on behalf of the Department of Fisheries and Oceans.

2. The *Howay* replacement did appear as an agenda item at the annual meeting of masters and chief engineers held in February, 1979. As in previous meetings where large groups of masters and chief engineers gathered, several opinions were expressed as to the suitability of a Breaux boat for the west coast fishery. The input from the masters of our vessels is highly valued and is one of the many factors considered when developing the specifications for new and replacement vessels. Our masters are kept informed on all decisions with respect to new and replacement vessels. This information is provided throughout the procurement process.

3. Yes, the vessel has an aluminum hull with a draft of 2.5 metres which is suitable for the particular fishery in which this vessel will be employed. Experience with two similar vessels operating out of St. John's, Newfoundland and Halifax, Nova Scotia has been entirely satisfactory.

4. Breton Industrial and Marine Limited, Port Hawkesbury, Nova Scotia.

5. Yes, $120,000 has been paid to Breaux Baycraft Limited by John Manly Shipyard. This has been included in the contract price.

GOVERNMENT OF JAMAICA—GRANTS AND LOAN AGREEMENTS

Question No. 963—**Mr. Cossitt:**

Since April 20, 1968, were funds given, loaned etc. to the government of Jamaica and, if so (a) in what amount (b) in each case (i) on what date (ii) what were the terms including interest, if any (iii) what was the purpose (c) what was the interest rate and have payments of interest and principal been received on time and, if not, what is the status?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Finance is concerned: On November 9, 1976, Canada entered into a loan agreement with the government of Jamaica to provide a Canadian $25 million loan from the Department of Finance, with repayment in full six months thereafter and interest payable at the average annual rate of interest on

six-month treasury bills, namely 8.93 per cent. Principal on the loan was rolled over three times due to Jamaica's financial difficulties, but interest was kept current. On August 9, 1978, the loan was converted to a three-year loan at the Crown corporation rate of interest on three-year money, namely 8.875 per cent, with the entire principal due at term, subject to interest being paid annually and to maintenance of a standby arrangement with the IMF. Jamaica has been current with respect to interest payments since conversion of the loan into a medium-term instrument. In the past six years the Export Development Corporation has extended six loans to Jamaica, two under government account (section 31) and the remainder under corporate account (section 29). Total value of these loans was Canadian $8.1 million under section 31 and Canadian $42.6 million under section 29. There are no arrears in payments to EDC. Because of commercial confidentiality, EDC cannot disclose its rates of interest. Attached is a detailed schedule of these loans indicating dates signed, amounts of financing and principal outstanding, and purpose of each loan. In so far as the Canadian International Development Agency is concerned:

(a) Development assistance grants and loans totalling approximately $62.4 million for the purchase of services, goods and commodities by CIDA or its executing agents for delivery to Jamaica have been made since April 20, 1968.

(b) and (c) Amounts ($000)	Date	Term	Purpose	To be Repaid	Interest Rate	Payments In Arrears
1000.0	1968/69	Grant	Technical Assistance (trainees, educators, advisers)*	Nil	N/A	N/A
1500.0	Mar. 28/69	Loan	Water Resources Development (studies)	1298.8	3 per cent	Nil
1630.0	1969/70	Grant	Technical Assistance (trainees, educators, advisers)*	Nil	N/A	N/A
242.5	June/69	Grant	Civil Service Reclassification (advisers)	Nil	N/A	N/A
1300.0	Mar. 6/70	Loan	Jamaica Development Bank (line of credit)	1290.3	3 per cent	Nil
500.0	Mar. 12/70	Loan	Port Antonio Water Supply (materials/equipment)	500.0	3 per cent	Nil
20.0	June 5/70	Grant	Ferro Cement Boat Building (study)	Nil	N/A	N/A
290.0	Oct. 9/70	Grant	National Water Authority (advisers)	Nil	N/A	N/A
450.0	Oct. 9/70	Grant	Ministry of Works (advisers/equipment)	Nil	N/A	N/A
355.0	Oct. 13/70	Grant	Planning Agencies (advisers)	Nil	N/A	N/A
5.2	May 19/71	Grant	Collector General's Department (training)	Nil	N/A	N/A
3000.0	June 9/71	Loan	Road Transportation Studies	3000.0	3 per cent	Nil
525.0	July 6/71	Loan	Bridges (material)	525.0	3 per cent	Nil
1000.0	Nov. 15/71	Loan	Hospital Equipment	1000.0	3 per cent	Nil
74.0	July 11/72	Loan	Bridges (Material)	74.0	3 per cent	Nil
800.0	Dec. 21/72	Grant	Technical Teacher Training Facility-CAST (educators/trainees)	Nil	N/A	N/A
510.0	Dec. 21/72	Loan	Technical Teacher Training Facility-CAST (equipment/material)	390.0*	3 per cent	Nil
175.0	Jan. 31/73	Grant	Civil Service Reclassification (advisers)	Nil	N/A	N/A
1020.0	Jan. 31/73	Loan	Bridges III (material)	1005.1	3 per cent	N/A
220.0	May 1/73	Grant	Teacher Education (educators)	Nil	N/A	N/A
300.0	July 3/73	Loan	National Literacy Campaign (paper)	294.9	3 per cent	Nil
2000.0	Oct. 25/73	Loan	Jamaica Development Bank Ordinary Operations (line of credit)	2000.0	3 per cent	Nil
500.0	Oct. 25/73	Loan	Jamaica Development Bank Venture Capital (cash contribution)	500.0	3 per cent	Nil
2000.0	Nov. 8/73	Loan	Primary School Construction	2000.0	3 per cent	Nil
2.2	Jan. 11/74	Grant	Government Printing Plant (adviser)	Nil	N/A	N/A
0.5	Jan. 31/74	Grant	Government Printing Plant (adviser)	Nil	N/A	N/A
23.0	Mar. 11/74	Grant	Management Information Systems (feasibility study)	Nil	N/A	N/A
10.0	June 6/74	Grant	Ministry of Mining & Natural Resources (feasibility study)	Nil	N/A	N/A
60.0	June 20/74	Grant	Mico College (cash grant)	Nil	N/A	N/A
25.0	July 2/74	Grant	Luana Development (oil industry adviser)	Nil	N/A	N/A
400.0	July 15/74	Grant	Jamaica Railway Corporation (advisers/training)	Nil	N/A	N/A
150.0	July 26/74	Grant	Organization and Methods (advisers)	Nil	N/A	N/A
5.0	July 31/74	Grant	Status of Women (adviser)	Nil	N/A	N/A
1.3	Aug. 14/74	Grant	Department of Statistics (feasibility study)	Nil	N/A	N/A
25.0	Sept. 4/74	Grant	Legislative Drafting (training)	Nil	N/A	N/A
834.0	Sept. 17/74	Grant	Ministry of Works (advisers)	Nil	N/A	N/A
800.0	Oct. 4/74	Grant	Skim Milk Powder	Nil	N/A	N/A
5.0	Dec. 3/74	Grant	Bureau of Standards (feasibility study)	Nil	N/A	N/A
55.0	Dec. 11/74	Grant	Jamaica Railway Corporation (advisers/training)	Nil	N/A	N/A
112.0	Dec. 18/74	Grant	National Water Authority (advisers)	Nil	N/A	N/A
60.0	Jan. 19/75	Grant	Department of Statistics (advisers)	Nil	N/A	N/A
3.0	Feb. 7/75	Grant	Pig Industry (feasibility study)	Nil	N/A	N/A
980.0	Mar. 25/75	Grant	Management Information Systems (consultant services)	Nil	N/A	N/A
25.0	April 14/75	Grant	Primary School Survey (advisers)	Nil	N/A	N/A
80.0	April 23/75	Grant	Jamaica Airport Authority (adviser)	Nil	N/A	N/A
2.0	May 7/75	Grant	National Water Authority (advisers)	Nil	N/A	N/A
185.0	June 16/75	Grant	Pig Industry (Consultant services/training)	Nil	N/A	N/A
395.0	Sept. 16/75	Grant	Bureau of Standards (advisers/training)	Nil	N/A	N/A
1600.0	Sept. 16/75	Loan	Bridges IV (material)	1600.0	3 per cent	Nil

4.0	Oct. 2/75	Grant	Ministry of Mining & Natural Resources (study)	Nil	N/A	N/A
5.0	Nov. 20/75	Grant	Jamaica Development Bank Evaluation (study)	Nil	N/A	N/A
2.0	Dec. 31/75	Grant	Survey Equipment	Nil	N/A	N/A
90.0	Feb. 1/76	Grant	Garment Industry Training School Adviser	Nil	N/A	N/A
1.5	Feb. 11/76	Grant	Science Research Council (training)	Nil	N/A	N/A
125.0	Mar. 13/76	Grant	Sugar Industry Research Institute (consultants)	Nil	N/A	N/A
1.0	Mar. 25/76	Grant	Status of Women (adviser)	Nil	N/A	N/A
7.5	May 3/76	Grant	Potato Industry Technician (training)	Nil	N/A	N/A
345.0	May 27/76	Grant	Technical/vocational Planning Unit (advisers/training/equipment)	Nil	N/A	N/A
100.0	June/76	Grant	Mission Administered Fund	Nil	N/A	N/A
23.0	June 2/76	Grant	Administrative Training (training)	Nil	N/A	N/A
1500.0	June 25/76	Grant	Skim Milk Powder	Nil	N/A	N/A
1.7	Oct. 7/76	Grant	Bovine Fertility (feasibility study)	Nil	N/A	N/A
300.0	Oct. 21/76	Grant	Ministry of Mining & Natural Resources (advisers/training/equipment)	Nil	N/A	N/A
10000.0	Oct. 29/76	Loan	Development Line of Credit	10000.0	0 per cent	Nil
0.2	Feb. 23/77	Grant	Survey Equipment	Nil	N/A	N/A
200.0	April/77	Grant	Mission Administered Fund	Nil	N/A	N/A
375.0	May 5/77	Grant	Bovine Fertility (advisers/equipment/training)	Nil	N/A	N/A
50.0	June 7/77	Grant	Organization and Methods (advisers)	Nil	N/A	N/A
1.0	Oct. 20/77	Grant	Holstein Reproduction Research (feasibility study)	Nil	N/A	N/A
25.0	Nov. 21/77	Grant	T/A Food Quality (traning)	Nil	N/A	N/A
45.0	Dec. 9/77	Grant	Holstein Reproduction Research (consultant/equipment)	Nil	N/A	N/A
11000.0	Dec. 21/77	Grant	Food Aid 77/78	Nil	N/A	N/A
6.0	Feb. 17/78	Grant	Craft Industry (feasibility study)	Nil	N/A	N/A
70.0	April 21/78	Grant	Garment Industry Training School Adviser	Nil	N/A	N/A
200.0	May/78	Grant	Mission Administered Fund	Nil	N/A	N/A
7000.0	Nov. 20/78	Loan	Food Aid 78/79	7000.0	3 per cent	Nil
100.0	July 21/78	Grant	Mission Administered Fund	Nil	N/A	N/A
7.0	Sept. 20/79	Grant	Legislative Drafting (training)	Nil	N/A	N/A
4000.0	Dec. 13/78	Loan	Commodity Line of Credit	4000.0	3 per cent	Nil
3000.0	Dec. 13/79	Loan	Food Aid 79/80	3000.0	3 per cent	Nil
100.0	Mar. 31/80	Grant	Garment Industry Training (adviser)	Nil	N/A	N/A
63939.6				39,478.1		

* funds at this time were not approved for specific technical assistance grants (yearly allocation provided only)
** approval received in 1977 for conversion of some loan funds to grant

Export Development Corporation
Loans Signed with Jamaica

Loan No: 0005 (Section 29)
Borrower: Jamaica Ministry of Finance
Amount of Financing: Can. $ 1,160,084.28
Principal Outstanding: Can. $ 1,160,084.28
Date of Signing: March 31, 1976

To finance the export sales of 6 locomotives and spare parts by M.L.W. Worthington Limited.

Loan No: 0018 (section 29)
Borrower: Jamaica Telephone Co. Ltd.
Guarantor: Jamaica Ministry of Finance
Amount of Financing: Can. $ 2,500,000
Principal Outstanding: Can. $ 1,504,000
Date of Signing: July 19, 1976

To finance the export sales of telephone equipment by Northern Telecom Limited.

Loan No: 0114 (Section 29)
Borrower: Jamaica Ministry of Finance
Amount of Financing: U.S. $ 31,500,000
Principal Outstanding: U.S. $3,045,373.22
Date of Signing: October 29, 1976

To finance the export sales of the upgrading and expansion of electrical power transmission and distribution system by Montreal Engineering Company Limited.

Loan No: 0051 (Section 31)
Borrower: Port Authority of Jamaica
Guarantor: Government of Jamaica
Amount of Financing: U.S. $ 5,196,900
Principal Outstanding: U.S. $ 819,270
Date of Signing: October 16, 1979

To finance the export sales of a container port complex by Dominion Bridge Company Limited.

Loan No: 7429 (Section 29)
Borrower: Government of Jamaica
Amount of Financing: Can. $ 1,676,655.88
Principal Outstanding: Can. $ 815,895.88
Date of Signing: October 9, 1974

To finance the export sales of railways and related equipment by M.L.W. Industries Division.

Loan No: 0558 (Section 31)
Borrower: Jamaica Railways Corporation
Guarantor: Government of Jamaica
Amount of Financing: U.S. $2.0 million
Principal Outstanding: U.S. $2.0 million
Date of Signing: 29 May 1980

To finance the rehabilitation of a rail line from Alcan's bauxite mine to the port, by Canron/Sysco.

CRTC—BROCKVILLE CABLE LTD.—RENEWAL OF LICENCE

Question No. 998—**Mr. Cossitt:**

1. What is the required or customary advance public notice that is to be given by the Canadian Radio and Television Commission in connection with public hearing and is this approximately 50 days?

2. Did CRTC announce a hearing for June 25, 1980, in connection with an application for renewal of a cable television licence for Brockville Cable Ltd. also known as Brockville Amusement Company Ltd. and, if so (a) on what date was it first advertised in the news media of Leeds-Grenville (b) what publications carried the notice and on what dates (c) were the notices given within the required time for those who wished to register objections or interventions and, if not, for what reason?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Radio-Television and Telecommunications Commission that the reply to the above question is as follows: 1.

When an application is set down for public hearing, a notice of the application is published in *The Canada Gazette* not less than fifty (50) days before the day fixed for the commencement of the public hearing and in one or more newspapers of general circulation within the area normally served or to be served by the broadcasting undertaking to which the public hearing relates.

2. The licensee of the broadcasting receiving undertaking for Brockville does not have an application in the commission to be gazetted for a public hearing and no application from the Brockville licensee is on the June 25, public hearing.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed from Friday, July 18, consideration of the amended motion of the President of the Privy Council (Mr. Pinard):

That, when the House adjourns on the day that this order is adopted, it shall stand ajourned until October 15, 1980, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

Mr. Edward Broadbent (Oshawa): Madam Speaker, I want to begin my speech this afternoon by raising the question of why we are sitting here at this particular time.

Prior to certain developments which took place last week, the New Democratic Party was prepared to join with other parties in this House in agreeing to the adjournment motion which was put down—supposed to be put down—last Friday. But as a result of a decision made by cabinet last Thursday the NDP believes the Liberal Government of Canada has placed our energy future in jeopardy and has done so by using what we regard as an illegal process, both of which are objectionable.

Madam Speaker, if we in this Parliament are about to change the law of Canada which was passed two and a half years ago and which made provision for a pipeline to transport American gas to American markets into one authorizing an export pipeline carrying Canadian gas to American markets, the very least that should be done is to bring a measure to that effect before the Parliament of Canada for decision. The cabinet acting alone, either in legal terms, in terms of the provisions of the bill concerned, or, certainly, in moral terms, ought not to be making such a fundamentally disastrous decision.

Some hon. Members: Hear, hear!

Mr. Broadbent: We believe that in certain conditions this export pipeline, euphemistically called a pre-build, should be proceeded with. If the government had obtained assurances that the whole line was going to be constructed and if it had negotiated with the Americans swaps of gas in exchange for the gas we were going to export from Canada when gas from Alaska becomes available, we in this party would be supporting this export pipeline. But under given circumstances there should be no misunderstanding; the New Democratic Party is 100 per cent opposed to the course of action taken by the government.

Some hon. Members: Hear, hear!

Mr. Broadbent: What we are witnessing in the course of action being pursued by the Liberals in the energy matter now is exactly the kind of indifference to the serious long-range concerns of the people of Canada as we see in their ignoring of the claims of our fishermen on the east and west coasts at the present time, in their selling out of the auto workers through their failure to implement the Canada-U.S. automotive agreement since 1965, in their indifference to the people of Manitoba when it comes to discussion and effective action with regard to the Garrison dam project, in their indifference to the people of Quebec, Ontario and the maritimes through failure to take action with respect to the massive increase in acid rain which will fall on Canada due to the conversion from one type of energy in the United States to another.

What we see, in short, is the perennial approach of the Liberal Party of Canada—indifference to the long-range needs of Canadians, always sacrificing long-range gains to the short, quick fix, a few bucks which will come in over a limited period of time; they think this will compensate for loss of benefits in the long run. As one of our members from the Hamilton area said yesterday, we in this party do not believe, when it comes to energy resources, that we are living in a time when we can agree to the export of any more oil and gas. Such energy resources should be kept for the long-range development purposes of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: I see the Minister of Finance (Mr. MacEachen) has come back to the House. I have been here for some 12 years, now, and I know why he is here. Whenever the Government of Canada is in trouble, the minister could be off sailing, he could be dying of tuberculosis, he could be indulging in some frivolous pursuit in Venice or seeking out the

muses in the beautiful wilderness of Cape Breton; whatever the case may be, one thing is as certain as anything in this universe: the call will go out from the Prime Minister (Mr. Trudeau), "Allan MacEachen, get back. We need you." That is why the Minister of Finance is here in the House today, and I am sure that we will hear from him later. I particularly want to hear from him because he was the minister who brought in the original pipeline bill which this government is thoroughly emasculating. I also want to hear what the Minister of Finance wants to say about this government's course of action. What was the original purpose of the bill which the government is now changing so fundamentally?

● (1520)

The hon. member for Winnipeg North Centre (Mr. Knowles) shortly in this debate will devote his whole speech to the illegality of the government's actions. However, I will not dwell on that subject; I will deal with the policy matter. What is the government changing so fundamentally? The original bill, as I said, was to provide a service to our American neighbours. We defended that service. We said that the Americans do indeed have a need for gas, that they indeed have gas in Alaska, and that if we can facilitate the transmission of that gas from Alaska to the United States as good neighbours, then we ought to do so.

An agreement was reached with the United States the central purpose of which was to export gas from Alaska to the United States. That was the principal objective and the overwhelming purpose of the pipeline legislation. I would like to say in passing that the New Democratic Party of Canada was the first party in Canada to propose the all-Canada route. We did so when the Hon. Tommy Douglas was energy critic for this party. We made the suggestion in advance of both the other parties. I do not say that in a boastful manner. I say to my Conservative friends and I just want to make it clear because of our objections which I will outline today, that at one point in terms of the original purpose of the bill we were front and centre in the energy debate in this country on the necessity of getting a feasible and desirable method of transmitting American gas to the American market, from the north to the south.

What were the benefits to Canada? This must also be kept in mind, because they are being completely undermined by the course of action taken by the Government. Canada was to have access, because of the possibility of a spur line, to some five trillion cubic feet of natural gas in our Arctic. That was one of the benefits which the Minister of Finance and some of his colleagues argued for at the time. A second benefit was that the people of Canada—and I am referring to the negotiations which went on with the Americans at the time, and which I remember very vividly—would be able to make swaps if, as it was hypothetically raised, at any point we should decide to export more Canadian gas to the United States.

It was argued by the Liberals at the time that the pipeline, as it was then debated and approved by Parliament, would make it possible for us to swap gas at an equivalent value. If we sold cheap Canadian gas from the south now, then at some point in the future, and at the equivalent value, when American gas came on stream from Alaska we could take advantage of a commitment to obtain that gas in exchange. That was another potential advantage for Canada if the whole pipeline were built.

The third advantage was jobs for Canadians. Steelworkers in Saskatchewan, Ontario and elsewhere, and construction workers in the provinces directly affected would benefit from the building of the pipeline. If these were the intended benefits for the United States and for Canada, what have we ended up with in terms of what the Liberals are now about to do?

Before I come to that subject I want to say that at all times, up until as recently as a few days ago—and it was confirmed here in the House this afternoon by the Prime Minister—the Liberals said in and out of the House of Commons that there would be no partial pipeline. They never even talked about the export of Canadian gas through that pipeline. They were always insistent that the whole pipeline from the Canadian border in the south to Alaska would have to be built. There would have to be ironclad guarantees.

This position was repeated as recently as December 9 when the Minister of Energy, Mines and Resources (Mr. Lalonde) used the phrase, "We have to have ironclad guarantees". He will become known in history as "old Mr. Ironclad". It merely goes to show just how flexible the meanings of words are to Liberals. Then in the letter of which we received a copy on Friday, which was written on March 12 to President Carter by the Prime Minister and in which he asked for prompt action, he again reasserted the need for guarantees for the whole pipeline. He did not need to spell it out for the American President, but for Canadians the reasons for the guarantee were just as I have indicated; we need the whole pipeline in order to have access to our gas in the north at some point and in order to take advantage of the possibility of swaps of American gas from Alaska if we were to export our gas from the south.

On the same point, the Minister of Energy, Mines and Resources, in the same debate on December 9, made reference to the need for swaps. So the government's position was very clear, or at least it has been up until the last few days. On the one hand ministers wanted the same guarantees on the whole pipeline as we are talking about today, and, on the other hand, they too thought that swaps were essential to any kind of feasible and practical pipeline proposal. Swaps is the second subject on which I will be talking at length and which will be in the motion at the end of my speech.

What are we getting instead, as the result of last Thursday's cabinet order in council decision? First, instead of getting what the law of Canada provided, which was a pipeline to transport American gas to American markets, we are getting a pipeline that is conceptually and entirely different. We are getting a pipeline which is being built only in the southern part of Canada to export Canadian gas to American markets. In addition, this exporting will go on for some 15 years and will

involve some 4.75 trillion cubic feet of our gas which will be gone forever.

Secondly, as a result of that cabinet decision, there are absolutely no guarantees on the financing for the whole pipeline, which is something that came out in its most open form today in the answers provided by the Prime Minister. The original project ought to have been guaranteed in the United States. The then secretary in the United States said that some $2 billion to $3 billion would have to be put up just for the Alaskan portion alone if there were to be any real guarantees. The Minister of Energy, Mines and Resources had the nerve to say in the House a week ago that his obtaining some $500 million for feasibility studies of one kind or another really constituted a guarantee. That may go over in the Liberal caucus, but that will sure not go over in any home in any part of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: Another result is that inevitably we are selling off relatively cheap natural gas in the south of Alberta with no guarantee of swaps at all, not even a sincere effort. The Senator responsible for the pipeline provided a truly ludicrous spectacle on television the other night when he had to admit that the only way swaps were talked about in discussions with the Americans was in the form of a casual conversation. When the visiting American responsible for energy was asked about the matter in the same television interview, during the same evening news, if I recall correctly he shrugged his shoulders and said, "What are swaps?" He said that that was the first time he had ever heard about the subject.

Swaps were serious for the Minister of Energy, Mines and Resources when he was in opposition, but of course, now that he is in government, and like so much of what the Liberal party stands for, he has completely forgotten the matter of principle. So we have no swaps.

● (1530)

Secondly, it is going to mean, in terms of prices, that Canadians pay inevitably higher gas prices because we are using up the low cost gas from the southern part of Alberta; it is going to mean to the United States that the more expensive gas will come from the Canadian Arctic, or the gas we may be forced to buy from the Americans at some point down the road if they will sell any, is going to cost us much more. That means the people of Atlantic Canada, Quebec and everywhere in the land, are going to have to pay more for energy. It also means that Canadian industry—whether we are talking about Ontario or Quebec or the emergence of industry in western Canada—is going to have to pay more. That reduces their competitive position. In addition, it means that we will not have—if we do not have a guarantee for a northern part of the pipeline—any access to our own gas in the Arctic.

What are we going to do? Are we going to construct our own pipeline? If we are going to have to go after that gas in the Arctic it looks as if we will have to construct our pipeline now. The cost to get that gas down to the Canadian market will be massive because without the guarantee and the northern portion of the pipeline we have no access to our own gas.

Finally, on the question of jobs, what does it mean? It is true that steelworkers in certain parts of Canada now will get some jobs because of this decision to build an export pipeline. It is true that if the government did not make this decision, some of those jobs would not exist. But I want to point out two things, Mr. Speaker. The first is that if we got the commitments that are written into the original bill for the original pipeline, there would be ten times the number of jobs that we are going to get from this pipeline.

Second, as leader of the party that probably associates itself with the trade union movement, I do not hesitate to say that one of the things that distinguishes this party from the present party in power, is that we are prepared to take a long-range view of this country. We are not prepared to sell out our energy resources in the short run even if it means a few more short run jobs. We believe in the long-range development of this country. The time is long since past when the country should have been given a long-range industrial strategy that would make that possible.

Some hon. Members: Hear, hear!

Mr. Broadbent: Instead of getting that from the Liberals, we have their traditional "in power" solution. The quick-fix boys are in action again. Yes, we are going to make money, in the hundreds of millions—indeed billions of dollars—from selling it off. But at what cost, Mr. Speaker? The Liberals are going to sell off $17 billion worth of irreplaceable natural gas. It will be gone—gone forever. That means that if we need it, as I have just indicated, it will not be there. It is the archetypical Liberal solution. It is, indeed, no solution at all to the long-range needs of our country.

In this part of my comments today I want to deal with something that I hope the Minister of Energy, Mines and Resources will deal with in his argument, because to me it is crucial, and that is the reasons why we in this party believe either the pipeline in the north will never be built at all or, if it is built, will not be built by 1985. You can bet on that, Mr. Speaker. Instead, it will be built at some distant point in the future when it suits American, not Canadian, purposes. At this time I want to set out our reasons for believing that.

First of all, it has not been brought out up to this point, because we have not had the debate, that a lot of American investors for very good reasons are skeptical about the project because of the costs involved. They know, from the Valdez oil pipeline experience in Alaska, that the cost estimates are likely to be well in excess of the original estimates. Right now the pipeline which when we debated it a couple of years ago in the House was estimated to cost $8 billion, has jumped to an estimated cost of $22 to $24 billion. That, for a very large multinational corporation, ain't hay; it is a lot of money. It is the reason why the companies involved have indicated to American congressmen and to a lot of people that they may

never proceed with the northern portion of the pipeline because it is simply too risky.

In that context I want to quote something that I wish the government would read. It is a report prepared not by the research staff of the New Democratic Party but by the Comptroller General of the United States Congress, and not two years ago, but just six months ago. Referring to the feasibility of the project this report, at page 13, reads as follows:

The project's sponsors have estimated a one-in-three chance the project will be abandoned in 1979. This estimate is almost three times higher than the 1978 estimate.

Put differently, the risks have gone up by some 300 per cent. That, Mr. Speaker, is scaring off, quite reasonably, a number of potential investors. That is one reason for having doubts about the northern part of the pipeline.

The second reason, which is connected, is that the American government has refused guarantees. I say that if the President of the United States took the Primer Minister's letter of March 12 in which he asked for guarantees seriously, and if he really intended to lay it on the line in terms of a commitment to the northern portion of the pipeline, the letter tabled in the House on Friday afternoon would not have contained vague expressions of good will. What President Carter ought to have said, if he really believed in the project, was that he would lay it on the line, and take a request for financial guarantees for the project to the U.S. Congress. That would be meaningful action, but that was not in President Carter's letter.

That is another reason why not only the private financial community is skeptical about the northern part of the pipeline but that, I suggest to you, the U.S. Congress is skeptical. It is the President of the United States himself who has severe reservations about the ultimate building of this pipeline, no matter what he says is his intent in the letter that the Prime Minister no doubt requested very hastily by telephone at the end of last week.

The third reason we give for being dubious about the building of the northern part of the pipeline pertains to the level of money put up by the private companies. Only $500 million has been put up, and note, Mr. Speaker, it is for feasibility studies—for assessments about the pipelines. It is not hard cash. There is no commitment, for example, to build, as the hon. member for Hamilton Mountain (Mr. Deans) suggested, foot by foot, or that if we started a Canadian line in the south the American investors would commit themselves to so many millions of dollars and build—every time we put in a mile in the south, they would commit themselves, at least in principle, to build a mile in the north, which is one possibility, or at least to put up a substantial amount of money, something in the order of, as Mr. Schlesinger said, a $2 billion to $3 billion commitment. If that kind of money were put up there would be some reason to believe in the seriousness of this multibillion dollar project, for in terms of a project that costs $22 billion to $24 billion in terms of guarantees, $500 million is peanuts. I want to stress that these feasibility studies could be used ten, 15 or 25 years down the road as well, and we should keep that in mind.

After all our gas is gone, the $500 million may not be wasted because the feasibility study could show to the Americans that when they really have need for their gas in Alaska, when ours is all gone, they can go ahead with the project after all. But no money has been put up in terms of a commitment to build the pipeline in the north at this time.

● (1540)

A fourth reason for skepticism about the northern portion of the line is that the Americans have been discovering in their country since 1978 a lot of relatively inexpensive natural gas. They have discovered also that the Mexicans have come upon deposits of substantial proportions of inexpensive natural gas. And another country, to the north of them—dear old Canada, the perpetual supplier of resources to the United States—has also discovered substantial new reserves of natural gas since 1978.

I would like to quote to the House again from page 19 of this report to the United States Congress on that question. In discussing why the pipeline perhaps is not so desirable in the north, here is what is reported to members of the U.S. Congress:

Publicity concerning possible alternate natural gas supplies have further undermined public confidence in the project's future. The sponsors specifically mentioned optimistic reports about the potentially vast Canadian and Mexican natural gas supplies, the domestic surplus that unexpectedly developed in 1978—

That is the United States. The report continues:

—and optimism about potentially substantial lower 48-state reserves.

That is an American source which tells Americans that perhaps they do not need the northern pipeline after all because they can get Canadian gas, Mexican gas, or cheaper American gas which has been discovered since 1978 in their own country.

A fifth reason is this: the very acts of increasing exports of natural gas to the United States, first by a Conservative administration during the past winter, and subsequently by the Liberals—although they denounced the Tories at the time—undermine from an American point of view the desirability of proceeding quickly with the pipeline in the north.

With respect to the Conservatives, I will always remember the then prime minister of the day answering questions in the House about the shortage of heating fuel in Atlantic Canada and on the very same day as he was announcing potential shortages in Atlantic Canada, he announced the increased sale of 3.75 trillion cubic feet of natural gas to the United States. That is a sell-out. That is a foolish, short run sell-out of Canadian energy resources.

Mr. Waddell: That is why he is not in the House.

Mr. Broadbent: We said that. We were not the only people who said that, Mr. Speaker. The Liberals, too, said that. The Minister of Finance took on that demeanour of sober seriousness, as is so appropriate when he is denouncing the Tories. If I recall, the present Minister of Energy, Mines and Resources said that this increase in exports of natural gas was one of the greatest sell-outs in Canadian history.

Of course the Liberals then had an election and they formed the government. I ask hon. members, did the Liberals come in and say that that was a terrible sell-out? They could have. They could have said that they would change the situation and would not allow the gas to go to the United States. But no, they did not do that at all. Having described this as the greatest sell-out in history before the election, one of the first things the Liberals did after they assumed office was to increase the level of exports of natural gas to the United States by .75 trillion cubic feet.

I do not know who wants to sell out this country faster, the Liberals or the Tories. You make your choice, Mr. Speaker.

An hon. Member: The Liberals win by a nose.

Mr. Broadbent: What I do know—and this is the point I want to make and the argument for the pipeline—is that the Americans know that they can buy our gas. And if you were an American—and I do not blame them one bit—why would you be interested in building a line that is going to be a very risky venture in the northern part of Canada and into Alaska which will cost many billions of dollars, if Canadian political parties are suckers enough to sell natural gas?

Specifically on that point, in case one is inclined to think that this is simply New Democratic Party partisan politics, I refer you to a source, hardly a socialist source, Mr. Speaker, it is once again the Comptroller General's report to the United States Congress. I ask you what does he say about this? This is what he says about the Alcan pipeline:

> While this project could supply 800 billion cubic feet of gas a year to help close the 1985-90 gap, conservation and non-traditional domestic sources could possibly produce significantly larger amounts than have heretofore been anticipated. In addition, foreign sources—

And guess who he has in mind? The Comptroller General's report continues:

> could supply at least 2 trillion bucib feet yearly, assuming favourable government policies (see table 3 on page 27).

The Americans have no doubt that either with the Liberals or the Tories in power they will get, from their point of view, favourable government policies. These are just the opposite from the Canadian point of view.

The sixth reason we have for believing that the pipeline is not likely to proceed in the north is the very building of what I have euphemistically described as the pre-build section. This accurately describes the gas export pipeline project on which the Liberals are now embarking. This act ironically goes against the building of the whole pipeline in the north itself because we are providing a facility in the south to get them good cheap Canadian gas. The more we provide them with good cheap Canadian gas, the less interest they will have in extending the pipeline to the north to get access to their own much more expensive gas. For anyone but a Liberal, that, I think, makes elementary economic sense.

Now I come to reason number seven. I ask you, Mr. Speaker, do large petroleum companies have an interest now in getting that Alaskan gas down as quickly as possible to the lower 48 states?

An hon. Member: Not a chance.

Mr. Broadbent: That is right, not a chance. They do not have an interest. I ask why? Because the oil companies want to do for their purposes what the New Democratic Party says that we as a nation should be doing for our purposes. The oil companies have an interest in keeping the Alaskan gas in Alaska for the present time. The reason for that is because they do not want to increase the supply. They do not want to flood the market and bring down the price. There is already what is called in the trade a bubble appearing in gas supplies in the United States. The very fact the American government has given in to the multinational oil companies, that is the big oil companies which control basically the development of this natural gas, and the very fact that they do not have a long-range interest in increasing the supply of the natural gas because it will reduce their profit margins, make it very unlikely indeed, in our judgment, that they will be proceeding quickly with the development of the northern portion of the pipeline.

Finally, there are certain regulatory barriers which were created by the American government itself in 1978 which have forced Foothills to say it will not go ahead with the northern portion of the Canadian part of the pipeline until these regulatory barriers have been changed. I think it is very interesting—and I will not go into them in detail—that the wording of President Carter's letter which was tabled in the House on Friday obliquely makes reference to these barriers. But does President Carter say that he will take immediate steps to change these barriers? Does he say with determined, decisive action that they will meet their commitments overnight? Not at all. He makes a general reference again to the future that if there should be problems, then he would take action. According to Foothills, the problems will not exist at some time in the future. They exist now. Once again, if the American administration were serious about getting the northern portion of the pipeline built, it would be taking concrete action today rather than making vague promises about the future.

● (1550)

What do these eight reasons add up to? I have taken time, because it is central to this debate and to our concern, to demonstrate the implausibility of building the northern portion of the line, whether it is going to be built on schedule or, conceivably, not even built. What these points add up to is precisely the conclusion that our energy critic and others in our caucus have been alluding to for many days now. They mean that we are certainly not going to get the northern portion of the pipeline built by 1985. In my judgment it is quite possible that the northern pipeline will not be built at all. That is what it means.

It also means that with this measure the Liberal Party of Canada have done once again what they are so capable of doing, namely, selling out our resources. Canadians will recall that it was the Liberals in the early seventies who told us that we had—what was the figure—390 years' supply of oil. We had centuries' supplies of oil. Then they proceeded to sell it

off. I looked at the figures this morning. The Liberals sold more than 1,700 million barrels of Canadian oil in the early 1970s.

When Tommy Douglas, our energy critic at the time, pointed out that it was a mistake, he was laughed at by the Liberals. They said, "They are the gloom and doom boys". Well, Tommy Douglas happened to know what he was talking about.

Mr. Kempling: Good old Husky.

Mr. Broadbent: The Liberals sold our oil in the early 1970s and, as a result, we are now importing oil. What they did with oil in the seventies they are about to do with gas in the eighties. That is exactly what they are doing. The Liberals are the masters of the short-run, quick-buck solution, which always ignores the long-range interests of the people of Canada. Just to turn around a phrase used by the colourful, if incompetent, former minister of finance, the Liberals really do believe in short-term gain for long-term pain for the people of Canada. That is what this sell-out amounts to.

I want to conclude by saying that if there is one party which can accurately be described as a collection of phony nationalists, it is the Liberal Party of Canada. They suddenly discovered in the latter days of the last election campaign that Canadians were concerned about resources, wanted an industrial strategy, and wanted a Canada that in the long run we owned and controlled. We got the nationalist rhetoric. That is the nationalism of the Liberal party in essence, nothing more than rhetoric. The time has come, and the people want this above all in the energy field, to replace rhetoric with substance. The people of Canada want something entirely different from what they get from that cynical crowd across the chamber. Therefore I move, seconded by the hon. member for Winnipeg-St. James (Mr. Keeper):

> That the motion be amended by deleting the words "on the day that this order is adopted", and by substituting therefor the following words:
>
> "after it has voted on a government motion providing that the building of the pre-build portion of the northern gas pipeline will not commence until complete financial guarantees for the whole pipeline have been obtained and that an agreement has been reached between the Government of Canada and the Government of the United States that the Canadian gas exported through the southern portion of the proposed pipeline will be replaced by Alaska gas at an equivalent price".

Mr. Deputy Speaker: The Chair would like to reserve judgment on the amendment. It certainly has some substantive aspects to it. If, however, there is a disposition on the part of the House to accept such an amendment unanimously, that might be considered. Is there any indication that there is unanimous consent of the House?

Some hon. Members: Agreed.

Mr. Deputy Speaker: There is unanimous consent of the House to accept the amendment as proposed for debate.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I had presumed that the reservations which the Chair had put were reservations as to the propriety of the amendment under the Standing Orders. The Chair has nodded yes. It is in agreement. I presume the Chair, with those reservations, will have to take its own counsel. I further suppose that every member of this House is in exactly the same position. We will be looking at the amendment from that point of view.

Mr. Deputy Speaker: The Chair would invite further comment. Does the President of the Privy Council (Mr. Pinard) care to comment on the propriety of the amendment?

[*Translation*]

Mr. Pinard: Mr. Speaker, we have absolutely no objection to this amendment being moved by the hon. Leader of the New Democratic Party. We do not support it, but we have nothing against the amendment being accepted for debate in the coming speeches.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent that the motion be accepted for debate?

Some hon. Members: Agreed.

Mr. Deputy Speaker: There is unanimous consent. In that case—

Mr. Baker (Nepean-Carleton): Mr. Speaker, with respect, I do not know whether that question really arises because, as I understand the practice, it has always been that if the Chair had some reservations about a motion, which reservations it has now indicated it has, debate could continue while the Chair considered those reservations. If that is the normal practice, and I believe it is, we have no objection to that practice being followed. However, when the Chair expressed reservations about the substance of the motion, I was reserving the right of the House to do what the Chair is doing.

Mr. Deputy Speaker: The Chair will reserve judgment on the motion, and debate will continue.

Mr. Baker (Nepean-Carleton): That's better.

Mr. Waddell: On a point of order, Mr. Speaker, with respect to this matter, I would simply ask that you consider this, Mr. Speaker. I distinctly heard the Prime Minister (Mr. Trudeau) in the House the other day propose or agree with a motion in this line. I would ask the Chair to note that, and to note there is no one in the House objecting to the motion.

[*Translation*]

Mr. Pinard: Mr. Speaker, last Friday the right hon. Prime Minister (Mr. Trudeau) suggested that the New Democratic Party propose an amendment along the lines of this one, provided the debate be terminated last Friday, but that was not the case. However, I am certain that the Prime Minister will not object to such an amendment being moved. We object to the merits of the amendment but not to its acceptability, if it meets with the approval of the Chair.

Summer Recess

• (1600)

[*English*]

Mr. Deputy Speaker: The concern expressed by the Chair relates to the substantive nature of the amendment, and I will reserve judgment. Meanwhile we will recognize speakers in the debate.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, I have been able to listen to this debate, which in reality began on Friday, continued today, and may possibly extend over most of the week, on what I think is an extremely important subject. I could not help contrasting the contribution to the debate of the right hon. Leader of the Opposition (Mr. Clark) with that of the leader of the socialist party. While I did not agree, naturally, with everything the Leader of the Opposition had to say, I did find myself moved and impressed by the sensitivity with which he discussed this problem. He spoke eloquently about the reception he received in Quebec during the referendum. I, too, was pleased at the reception paid to the right hon. member, if only because of the determination and skill with which he has mastered the other official language of this country. I think it is no secret that the Leader of the Opposition is welcome in any riding in any part of that beautiful province.

The Leader of the Opposition spoke also of the sensitivity of the unique problems of Alberta, implying, I suppose, that we in the east should understand a little more some of the problems and economic problems of Alberta. It is perhaps time that we in the east understood that not everybody in the province of Alberta is a millionaire or near millionaire, that there are people in Alberta who are very dependent on the prosperity of this country for their own economic survival, and that everybody in Alberta is not necessarily linked to the gas and oil industry.

What I got out of the message of the Leader of the Opposition is that if there are any regional considerations being advanced here by hon. members from Alberta, they are being advanced positively, logically, and in the spirit which I think has to prevail in this country over the next ten or 20 years if we are going to mend fences, so to speak, and bring this country closer together rather than farther apart. I think the Leader of the Opposition stressed that energy and the way it is handled in the next ten or 20 years can be a positive force but that it can be an equally divisive force and that at this present moment we need to be a little more considerate, tolerant, and understanding of regional problems.

Perhaps it is in that vein that I approach the whole issue of the pre-build pipeline and what it means to segments of the economy of Alberta. I am thinking particularly of people in the natural gas industry. I know a little bit about this in the sense that I have been in the riding of the Leader of the Opposition, I have been to Blairmore, I have entered the Coleman collieries and I have seen the coal industry, their horizontal shafts, and people working extremely hard for their livelihood. I know the frustrations of people in the natural gas industry, the independent producers of natural gas who sit with thousands—not hundreds—of natural gas wells capped because there is no market or, more properly put, no access to the markets which are there. We would not be discussing this at the moment if the National Energy Board had not clearly indicated that there is a surplus of natural gas at this moment, and a market ready.

Mr. Orlikow: How many times are they wrong?

Mr. Mackasey: I do not want to get into an argument with the hon. doctrinaire socialist on the front bench, who constantly interrupts with the same diatribe each and every time somebody wants to approach a debate on a different plane.

If it is a matter of trading insults with the hon. gentleman, I can do it, because if we carry his logic to a conclusion, nothing which is not renewable should be exported from this country until sometime in the twenty-second century. That is true of copper, silver, gold, iron and coal. It is equally true of the 22 million barrels of crude oil which the province of Saskatchewan exports every year. We do not hear a word in the debate about the 22 million barrels of crude oil which are exported from Saskatchewan. Sixty thousand barrels are exported daily. I happen to agree with the policy. I think it is logical. I think that the province of Saskatchewan has acted wisely and with restraint, but the fact still remains that to some hon. members in that party there is no valid excuse for selling one barrel of crude oil today.

It is obvious and inevitable that ten, 20, 50 or 100 years from now, if we still need crude oil or gas, its value will be increased that much more. The false logic of all the arguments on Friday and today, including that of the Leader of the New Democratic Party (Mr. Broadbent) today, is based on the false premise that because it can be demonstrated that natural gas and crude oil or energy of any type will have a greater monetary value ten, 20, 40 or 50 years from now, we should wait for 50 years. The Leader of the NDP does not tell the independent producer of natural gas what the people in this business should be doing in the meantime with their inventories or their supplies. It should be sold if it can be clearly demonstrated that in selling it the national interest of this country is not affected.

Mr. McDermid: Tell that to your energy minister. Read Lalonde's speech of December 6.

Mr. Mackasey: The problem with the New Democrats is that everything must be discussed and weighed on the basis of their doctrinaire approach that private enterprise has no place in our society, that multinational corporations—or indeed any corporation of any size—should not exist and that everything should be state-owned, including all forms of energy, all retail outlets and every service station on every corner. It is extremely difficult to debate with people who begin from that premise. In his speech the Leader of the New Democratic Party had to admit that there will be some negative effects on steel workers, but he rationalized that away. He said that there will not be too many. Let him tell that to the steelworkers in Lincoln. Let him say to the steelworkers of Hamilton that there will not be

too many. Let him tell unemployed steelworkers that the New Democratic Party says that factories being out of work is not important because there are not too many steelworkers involved. There is always one too many if one person is unemployed.

Even if we were not creating jobs with this project, I would stand with the NDP if I felt that we were exporting natural gas that we need. Of course we will need natural gas in 50 years, 100 years or 200 years. In the early seventies I had the same misgivings about selling gas and oil, and expressed them quite publicly, but I have to say I was wrong because since the sale of natural gas and since the sale of oil in the seventies, the effect those sales have had on research and development and on exploration has been obvious. We have more natural gas now than we had in the early seventies. The incentive under the private industry system is profit. That is not a dirty word in our party, nor in the Conservative party. It is a dirty word only in the NDP. They do not tell us where they would get the capital if the state were to own all sources of production. That is something they skim over. In the last year or two when members of the New Democratic Party were pretending to be liberals, they could skim over it, but never again.

They cannot any more. So despite telegrams from the leader of the Canadian Labour Congress, subtly worded, and the head of the steelworkers, subtly worded, I am more impressed by the steelworkers, employed and unemployed, I met in my riding on Saturday morning. They expressed concern and anger at the New Democrats for blocking a project which means the difference between survival and prosperity and poverty in that particular part of the community.

● (1610)

An hon. Member: Name one.

Mr. Mackasey: The member over there does not care about the rank and file.

Some hon. Members: Hear, hear!

An hon. Member: Name one.

Mr. Mackasey: The hon. member wants me to name one. I have a telegram signed by Len Stevens, Director, District 3, United Steel Workers of America.

An hon. Member: Read it.

Mr. Mackasey: I will read it into the record because the hon. member has asked me to read one. It reads as follows:

For your information following telegram sent to Ed Broadbent by Dick Martin, President, Manitoba Federation of Labour:

"The Manitoba Federation of Labour representing over 76,000 Manitoba workers requests your support of approval of the construction of the western Canadian section of the Alaska highway natural gas pipeline, while at the same time pursuing guarantees and environment safeguards. Jobs are badly needed by Canadians, particularly in view of the increasing unemployment and forecast of a bleak economic winter".

An hon. Member: Read it all, Bryce.

Mr. Mackasey: It does not please them. They think that the labour movement is homogeneous. They cannot elect a member in Windsor despite the concentration of the labour force there. It is because they treat unionized members as robots. The NDP said that this project was bad. They asked, "Why is it bad?" The NDP said, "Because we tell you it is bad". They fail to appreciate that workers today are educated, sophisticated, and knowledgeable as investors. They will make their own minds up as to whether this is a good project or a bad one.

What we have heard today is total disdain for the word of the President of the United States. That amazes me, because I grew up in a period when there was great respect for the United States and for the office of president.

An hon. Member: Oh, come on.

Mr. Mackasey: I cannot understand it. Obviously they do not have that respect. They would rather salute some other country, which is their privilege. But I was brought up that way and I cannot see any politician, because politicians are people of integrity, sending out a letter over his signature as did President Carter—and restating it verbally on the weekend—a statement which clearly implied that the pipeline would go ahead as scheduled—

An hon. Member: You cannot guarantee that.

Mr. Mackasey: Nor can the hon. member guarantee that it will not. That comes down to the differences in our philosophies and convictions. Maybe the hon. member is right, but he does not know if he is right. If he is wrong, he should think of the harm he is doing to the country at the moment.

An hon. Member: You are gambling.

Mr. Mackasey: The other day I read an article by someone in the steel industry. It pointed out quite logically that this country, as was pointed out by the hon. Leader of the Opposition, is truly a great one. It needs a little vision, a little leadership, and a little entrepreneurship. As many members in the House will remember, when we were building the Seaway we procrastinated, delayed, and waited for the Americans, and finally got it through. I can think of other projects that were dealt with in the same way. But this gentleman, in a well-reasoned speech, made the point that in the matter of a very few years by necessity this country will be dealing with a half dozen massive projects, not just one. There will Beaufort, Hibernia, further development of the tar sands, the eventual pipeline to the Atlantic provinces once we see the quantity of gas available off Sable Island, and of course the Alaska pipeline.

If all these projects come on stream simultaneously in two, three, four, or five years, one should think of the problem we will have. It will be as much as we had in the late sixties with the building of the subway in Montreal at the same time as Expo was being built. One must remember the impact it had on the economy, wages, and salaries. There were shortages of skilled labour, professional labour, engineers and capital.

Inflation hit badly, and we reaped it in the seventies because of the lack of co-ordination, planning or scheduling in the sixties.

Apparently the byword of the New Democratic Party is "industrial strategy"; a great phrase that, "industrial strategy". Another great one is a "manpower policy". It amazes me that they cannot understand how beneficial it is for us to have an opportunity to begin the pre-build now rather than five years from now when we may begin simultaneously the whole pipeline. At this moment the country is badly in need of such a project. If this was not the project, logically we should look for another one.

The average Canadian who is out of work through no fault of his own, and this includes the high number of unemployed people in the greater Hamilton area, would prefer a steady job. He would prefer to work instead of receiving a handout, unemployment insurance, welfare, LIP, OFY, make-work, or call it what you want. There is no real substitute for these types of projects properly handled and properly introduced.

I am sure the opportunities for the Minister of Finance (Mr. MacEachen) are obvious. With the injection of capital from the United States at the beginning of this project, the dollar should be strengthened. If he wants to lower interest rates and if he wants to bring the value of the dollar down so that it will not affect our exports in the pulp and paper industry, he can then do so. He needs this kind of a project badly. We need it to help Alberta, the people in the natural gas industry and the independent producers who are essentially Canadians. They need this cash flow. There is nothing wrong with stating that. They will take that cash flow, reinvest it, explore some more and bring other wells on stream.

In a country with the energy surplus we have but an oil shortage, obviously natural gas is one source of surplus energy. It happened to be a byproduct of oil in the old days and now it is coming into its own. We have a tremendous surplus, and will for five or ten years, if we believe the National Energy Board, and that is its responsibility. We have the need, the customers, the gas and the will power. Only the NDP with its reactionary approach cannot see the benefits of a project of this size. This is why they will never get out of the corner. They cannot think nationally. They never could; they never will. They do not even have the freedom to think because they are fettered by their convictions that something about private enterprise is bad, that we should own everything.

Some hon. Members: Oh, oh!

Mr. Mackasey: It has been proven so many times it is obvious. Perhaps the Leader of the NDP is not quite that doctrinaire, but he does what his backbenchers tell him. That is why he is there. That is why he came hustling back to the House on Friday to find out what was going on. One only has to go back to the auto pact. They were against the auto pact in the sixties—I remember that like yesterday—then they became the greatest supporters of it. Even the statement of Dennis McDermott today is a reasonable one. It embarrasses that party with the type of faint praise you and I know we could do without.

What are the economic benefits of this project? They have been restated over the weekend in every newspaper, by the minister, and by the hon. senator in the other place. I know statistics bore all of us, but if one looks at the figures of the Department of Finance, the pre-build itself will represent a $2 billion positive impact on our balance of payments. That is a greater sum than the main line, because the main line will be built in the other country. It means 150,000 man-years of work, none of which would be worth it if this was a bad project. It is not a bad project. It means 150,000 jobs which will be spread right across this great country of ours. I have to be a little selfish and suggest that it is more than a hope that they will find their way into Welland, Hamilton and the Niagara Peninsula where unemployment is much too high.

I cannot get up in the House on a debate like this and suggest that it is relatively unimportant to the unemployed in Hamilton, that in the name of false economic nationalism we should postpone this project for five, ten, or 20 years until there are some Utopian-type guarantees. I am more concerned about the unemployed workers in my riding than that.

The statistics indicate that we will knock about one half of one per cent off the unemployment figure just with the pre-build, and two-thirds of 1 per cent when the total project is over. As the minister mentioned, we will have upwards of 90 per cent Canadian content in most of our purchases, and 100 per cent Canadian content in the pipe. It means an injection into the economy of $1.45 billion at a time when the economy needs such an injection. Ironically, this is quite in line with the NDP's change in policy, with which I do not necessarily differ. If we were to come along during any other period of unemployment and suggest, "We are going to inject $2 billion right now into the economy. Let's change it"—that is the policy which the eloquent financial critic of the NDP has been talking about for months. He wants to get it through a greater deficit, which is the same thing. We, fortunately, happen to have a $2 billion project available. The problem, of course, will be to make certain we do not fan the fires of inflation.

• (1620)

Mr. Waddell: What happens two years from now?

Mr. Mackasey: Calm down. Relax. That $2 billion should have a beneficial effect on the dollar. The minister, his advisers suggest, will have more flexibility with regard to the setting of interest rates. If he is worried that the dollar is going too high he can lower interest rates and bring the value down so that our exporting companies will not be affected.

I was particulary interested in one telegram which came in; I think it was an honest appraisal of the impact. The company in question is Dofasco in Hamilton; it does not benefit directly from the project because it does not make pipe of the size required. But they endorse it. I will just read the first paragraph:

> Approval by the federal government of construction of the pre-build portion of the Alaska Highway gas pipeline will provide a much needed boost to the Canadian economy both with respect to maintaining existing jobs in Hamilton and

creating new ones. In addition to the direct impact of this undertaking there are also immense spinoff benefits which will come from ancillary developments.

That, Mr. Speaker, is the result of the exciting concept of injecting $2 billion into a badly depressed economy at this time. I am amazed at the position taken by the New Democratic Party. On one hand we have the National Energy Board telling us of the surplus which exists because of the initiative of private enterprise and Petro-Canada in a mixed economy from the early seventies onward in finding excess gas. Since 1977, as the hon. senator, the minister responsible for the pipeline in 1977, mentioned, the volume of Canadian gas surplus to our needs and available for export has grown from 800 billion cubic feet to around 4.5 trillion cubic feet. How did it happen? Did Santa Claus wave a wand? Did the socialists insist on it? No. It was discovered because people with initiative and incentive went out and explored for it. Canadians, through their willingness to invest and participate, provided the capital which enabled these independent firms to find, since 1977, natural gas which under the socialist banner would remain in the ground until hell freezes over—a long time.

That is what has changed since 1977. The National Energy Board has been subjected to a lot of ridicule from time to time. It is doing a difficult job. It has stated we have 4.5 trillion cubic feet of gas to export. The idea that anybody is likely to come along in ten or 15 years time and return those 4.5 trillion cubic feet of gas at today's prices is very unrealistic. That amount probably will not even pay for the transportation 20 or 30 years from now. What we have, in other words, are reserves. We have the willingness, we have the need, we have the correct economic conditions in the sense that a $2 billion injection would work against our best interests if it were brought in four or five years from now when the economy is, perhaps, at its height, when it would be nothing more than inflationary, when we could not spare the steelworkers, when the mills would be doing something else and the craftsmen would be doing something else, when the professionals would be busy with some other phase of our expansion. This is needed now, and the only thing that should hold us back is the presence of any real evidence that private enterprise does not intend to continue the pipeline in a few years. The NDP has not the slightest bit of evidence to that effect. What they have advanced is some skepticism about the value of the letter from the President of the United States. They have talked about the need to keep the gas in the ground for 20, 30 or 50 years. But note this: there has not been one protest about the millions and millions of barrels of heavy oil which flow out of the beautiful province of Saskatchewan. Not a word. Nor do they dare say a word, because Mr. Blakeney would tell them to get lost.

Some hon. Members: Oh, oh!

Mr. Mackasey: If we listen to them we would never export copper. Because that is not renewable.

An hon. Member: Potash?

Mr. Mackasey: I was saving that for the end, but you have spoiled it!

Some hon. Members: Oh, oh!

Mr. Mackasey: I was around when the NDP tried to seduce everybody in the House of Commons in an effort to get some agreement to get potash out of this country. Mr. Blakeney made trip after trip to the United States to talk to private enterprise so as to come to an accommodation about shipping out potash. And he did well.

What are the jobs I am talking about? Are they limited to steelworkers? If they were, it would be unfair. British Columbia is getting $70 million; Alberta is getting $650 million; Saskatchewan and Manitoba, $360 million; Ontario and Quebec, $360 million. Stelco in Hamilton will be providing 12,000 man-years—that is an interesting figure if you are listing steelworkers in Hamilton; Welland, 1,800 man-years; Regina, 10,000 man-years. Little wonder the steelworker labour unionists of Regina do not want anything more to do with the NDP. And we are talking about introducing a greater degree of industrialization to the west as inevitably must happen as natural resources become depleted, as they will one day. Camrose and Edmonton—I will not say too much about that particular area, but the benefit there will amount to 2,700 man-years. It is not just pipe.

Turbo-compressors costing $20 million will have to be installed, creating 500 man-years of employment in the industrial heartland of Ontario. Three units will be purchased from the Cooper-Rolls Corporation in Montreal providing 100 man-years employment in the Rolls-Royce plant in Montreal; 80 man-years in Stratford, at the plant of Cooper Energy Services, and that is just one company—I cannot go on to list them all because so many companies are breathing sighs of relief today having learned that the government is courageous enough, with support of the official opposition, to bring forward a $2 billion project at a time when Canada needs it.

The only thing that is creating the slightest reserve in anybody's mind is that the signature of the President of the United States and his letter are not worth the paper they are printed on. I happen to have a greater respect for the office of the President of the United States and for that country than do the New Democrats. If you share their philosophy, you can understand their cynicism and disdain. I do not happen to share it. I can understand their concern. Their concern is that they are becoming superfluous.

• (1630)

I made a few notes on the comments of the Leader of the New Democratic Party (Mr. Broadbent). He wiped out $500 million as if it were nothing. He referred to a feasibility study. That $500 million is not going to a feasibility study. It is going for an engineering and conditioning plant in Alaska. The Leader of the New Democract Party called it a feasibility study. That would be some study if it were to cost $500 million. I wonder what the whole project would be worth.

An hon. Member: Oh, oh!

Mr. Mackasey: They are a spent force. The Leader of the New Democratic Party referred to higher prices later on. Of course, prices will be higher later on. The independent gas producer in Alberta needs the cash now. Ask him if he would rather leave his gas in the gound. As a matter of fact nobody in Alberta has to sell their gas. If they prefer to store it for their grandchildren or their great grandchildren, they can do that. They can leave the cap on the well, even though they may have an opportunity now to dispose of their gas to eastern Canada and to the United States.

Mr. Paproski: We want to share it.

Mr. Mackasey: If the Alberta producers want to leave their gas in the ground and take advantage of higher prices five years, or ten years from now, they can do that. After all, the oil is not state owned. The people who own it still have rights and they do not have to sell their gas if they do not wish to. We do not have the kind of regime which one might find in a socialist country and, certainly, if the producers in Alberta want to hang on to their gas and take advantage of higher prices later on, they can do so.

The Leader of the New Democratic Party said that there would be more jobs if the whole pipeline were built. That one really got me. Of course there would be more jobs if the pipeline is built, and of course the pipeline will be built. That is the difference. When it is built, there will be more jobs. The thought that possibly the project will go through bothers these prophets of gloom and doom in the corner. Of course the project will go through, and as the Leader of the New Democratic Party so aptly and so logically put it, there will be more jobs when the pipeline is built. I can assure the hon. gentleman that my instincts are as good as his, and I am sure that the whole pipeline will be built. I may be mistaken, but I believe that the NDP voted against the Alaska Pipeline Act. Perhaps they were not too concerned about the jobs which would be created or they could not see the need for them a few years later.

According to my notes, the NDP leader said that the pipeline will be built not at all, or only some time after 1985. Again he totally ignored the $500 million which has been committed, the unanimous commitment of the Senate, the unanimous commitment of the Congress, and he ridiculed the president of our greatest friend.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, if I might be permitted a slight recollection at this point in this debate and do a double-take, if I might, with respect to the government's position vis-à-vis the amendment which has been proposed by the New Democratic Party, I recall rather vividly the furor and shouting match which went on at the time I made an announcement with respect to the export of natural gas from Canada, a very sensible decision and one which has now received the acclaim of all straight-thinking and forward-thinking people in Canada.

An hon. Member: Except the voters.

Mr. Hnatyshyn: Indeed, I am fascinated to watch what is happening now with respect to the statements which have been made by the government.

Most of us are probably asking ourselves, "What are we doing here today?" I had made all the necessary arrangements to move back to my constituency of Saskatoon West to serve at the local level and to work directly within the constituency. What are we doing back in Ottawa at this point in time? It is a rather curious situation which has caused the continued sitting of the House during the summer. Of course it is the motion brought down by the Leader of the New Democratic Party (Mr. Broadbent). It is a very bold and imaginative gesture which he has taken in order to grab the attention of the newsmakers of our country while everyone else in the country is away on vacation.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Unfortunately, I had to go back to Saskatoon on Friday, so I did not have the opportunity to hear the very excellent speech which was made by my leader. However, a very interesting development took place. The NDP were talking about the urgency of this matter and saying that the country was about to fall apart, action had to be taken, and Parliament had to sit on a continuous basis, but when the NDP was given the opportunity to continue the debate into the weekend on this very urgent matter, they turned the invitation down and went away from here to contemplate and consider whether or not they were on the right side of this issue as far as the newspapers were concerned.

Mr. Rae: We wanted you to be here, Ray.

Mr. Hnatyshyn: In fact, what really happened, was that the Leader of the New Democratic Party went to see the real leader and had a long talk over the weekend with Dennis McDermott. It was a very informative discussion in which the Leader of the New Democratic Party engaged at that time because he was worried about the vibrations he was receiving as to whether or not there was total support for his proposition.

Today, he stood up in the House and said that there was 100 per cent unanimous support on the part of the New Democratic Party for the proposition which he put forward. Unfortunately, the statement of the Leader of the New Democratic Party is simply not correct because a very substantial and important part of the New Democratic Party, in terms of its support and power within the party, is adamantly opposed to the position put forward by the Leader of the New Democratic Party today. I refer, of course, to the Saskatchewan New Democratic government.

I have just returned from enjoying a weekend in beautiful Saskatchewan.

Mr. Broadbent: There is good government there.

Mr. Hnatyshyn: Notwithstanding the provincial government there. At the same time I was amazed to read in the newspaper the position taken by the New Democratic Party there. We

must put this into context and perspective because we know that the NDP is the only party which does not have its leadership chosen on the basis of representation from every constituency in Canada on an equal basis. What they do in terms of their leadership selection is based upon membership. For example, the trade union movement is a very important faction in the consideration of party policy. The province of Saskatchewan has a large membership and a large delegation in terms of the national party and the support which the hon. member for Oshawa receives.

The voice of the New Democratic Party in Saskatchewan is very important in terms of party policy, and they came forward on the weekend and said that they were absolutely opposed to what was said by their leader. The headline in the Saskatoon *Star Phoenix* of Saturday, July 19, reads "Messer lauds pipeline pact". For those who are uninformed, Mr. Messer is the minister of energy for Saskatchewan. The article goes on to say:

Saskatchewan has welcomed the federal decision to proceed with the pre-build portion of the Alaska highway natural gas pipeline, mineral resources minister Jack Messer said Friday.

He said that the concerns which have been expressed by the NDP in Ottawa have, according to him, been resolved and settled to his satisfaction. He has no concern now. I am not putting these words in the mouth of the New Democratic Party of Saskatchewan. I am simply quoting what a very important segment of the New Democratic Party hierarchy says with respect to this policy which we now hear is 100 per cent the position of the New Democratic Party. I would like to hear an explanation from one of the spokesmen of that party, if there is to be another speaker from that party during this debate, on how they stand with regard to that particular policy.

An hon. Member: Tell us about the Socreds in British Columbia.

Mr. Hnatyshyn: I should put the rest of this article on the record, because it is interesting and because it has allowed me to hear both sides of the story. From there I can make up my mind with respect to this issue and determine how I want to vote. I want to know what both sides are saying.

● (1640)

I listened to the Leader of the New Democratic Party making a speech in Ottawa, and for the other side of the story I go to Saskatchewan to hear what the New Democratic Party there is saying. The article I referred to earlier goes on to say:

Despite provincial concerns, Messer noted the government has been fully supportive of an expansion of the Interprovincial Steel and Pipe Corporation (IPSCO) plant in Regina aimed at supplying pipe for the line, and it would be 'ridiculous' for the province now to be opposed to the project.

I wonder whether the hon. member for Regina East (Mr. de Jong) and the hon. member for Regina West (Mr. Benjamin)—I don't see them in the House at the moment—are twitching to get involved in this debate. And what about the hon. member for Hamilton Mountain (Mr. Deans)? Where does he stand? Why has he been silent?

Mr. Broadbent: He speaks next.

Mr. Hnatyshyn: Hallelujah, brother! We are finally going to hear, after this delay, what the hon. member for Hamilton Mountain, who has so many steelworkers in his constituency and relies so much on their support, what position he takes and precisely where he stands in respect to the position put forth by his leader.

An hon. Member: He doesn't want that pipe order.

Mr. Deans: Why don't you sit down?

Mr. Hnatyshyn: I simply want to put forth a calm and logical approach to this very complicated issue. I know members of the New Democratic Party will listen and take note, and be very interested in what I am saying.

What else does Mr. Messer have to say? He is the minister of energy in the New Democratic government of Saskatchewan. That information is for those who are just tuning in, in other parts of the country. I know it is getting close to the dinner hour and a lot of people will be watching this very interesting debate. Dealing with Mr. Messer's comments again, the article ended as follows:

Messer noted the provincial environment department is inviting comments from the public on the Saskatchewan portion of the line before final provincial approval is issued.

But he said he is not aware of any pressing environmental concerns in that area of the province which might significantly delay the project.

I have looked through this article and I have tried to contact my NDP friends in Saskatchewan to find out whether there is a dissenting point of view. The only one I have heard is with respect to the speech made by the Leader of the New Democratic Party in this House this afternoon. There is obviously a serious breach on this as on many other issues in the New Democratic Party. It is almost an article of faith now that if the hon. member for Oshawa says something in the House of Commons with respect to the position of that party today, someone else in the New Democratic Party elsewhere will say exactly the opposite. I can give a list of instances where that has happened. They came out against the proposal made by this party with respect to the home owners' grants and exemptions and the grants for taxes and mortgage deductibility.

Mr. Nystrom: Petro-Canada.

Mr. Hnatyshyn: At the same time that the Leader of the New Democratic Party was on his feet, Mr. Blakeney in Saskatchewan was introducing legislation which was the very same as the legislation we had proposed. It was incredible. There was a double-take by the people of Saskatchewan, I can assure you.

Mr. Broadbent: Wrong again.

Mr. Hnatyshyn: Mr. Speaker, I have just been handed a note to the effect that there is a feeling by some of my advisers that I should not take this amendment too seriously. I am trying to take it very seriously.

What about uranium? The hon. member for Lincoln (Mr. Mackasey) has made reference to the position of this party on renewable resources. I wonder about the question of uranium exports. The Premier of Saskatchewan has been to China and Japan to discuss the export of uranium from Saskatchewan. He has not suggested that the uranium should be left in the ground or that it be used only domestically for energy purposes. To the Japanese he said, "We are prepared in Saskatchewan to give you a guaranteed supply of uranium—a guaranteed supply of uranium, exporting that commodity from our country". The New Democratic Party speaks with one mouth in terms of its political attempts on the floor of this House, keeping this House in session, and yet with another mouth its key supporters across the country take a diametrically opposed position.

An hon. Member: They are full of potash.

Mr. Hnatyshyn: Mr. Speaker, I wanted to address myself to some of the broader aspects of this matter. As we consider whether this House should adjourn, I think it is important to review what has taken place during this session and consider the challenges that will face us when we return.

We have been very much preoccupied with matters relating to energy. I think it would be appropriate to consider the prospects held out to us by the government and to review the progress made toward an energy policy. The people of Canada could take advantage of the adjournment to advise members on both sides of the House on how they think the government has performed and what positions they think should be taken. It might be useful, in that context, to review some of the undertakings given by the government in the Speech from the Throne.

The speech contained several items relating to energy. Without according them any priority I should like to take them individually and comment on each.

The Speech from the Throne, read by the Governor General on behalf of the government on April 14, stated:

> A new blended price is to be established which will progressively incorporate the costs of the oil import compensation program, while at the same time maintaining a single national price for consumers.

I do not believe that new blended price has materialized either by way of legislation, agreement or substitution. We are still trying to find out what this blended price is all about—trying to figure out if it was as stated by the Minister of Energy, Mines and Resources (Mr. Lalonde) who was asked during the election campaign what was meant by a blended price and who replied:

> If the price of conventional oil is x, you will have a price of x plus y for the non-conventional oil, and then the international price—you know what it is—but we have indicated we will continue to subsidize the price . . . So what you would end up with would be a mix of these prices.

An hon. Member: Say that again.

Mr. Hnatyshyn: There is erudition unequalled in terms of political pronouncement, statements and explanations of policy in the history of our country. Not only has no legislation been introduced or the policy been brought in in any way, but we do not even know what it means.

The second item in the Speech from the Throne was this:

> The blended price will reflect the right of producing provinces and corporations to a fair return for their resources and their investment.

They have been silent, Mr. Speaker. We have no knowledge of any statement. Five months have passed since the election but there is not a tittle of evidence on this new idea of fair return. At a press conference the Prime Minister (Mr. Trudeau) suggested in a rather jocular fashion that they were going to give an arm and a leg but there would be no tradeoffs. We still do not know precisely what they mean by a fair return to provinces and corporations, however.

The third thing brought out in the Speech from the Throne was that the government did not intend to impose the 18 cents increase in excise tax on transportation fuel. It has not done that yet—directly, I should say. But we can rest assured, on the basis of what is happening in terms of international prices and general commitments in principle, that we in Canada are faced with the highest increase in the price of oil on the basis of the cost of imported oil and growing dependence on that. The 18 cents will look like a paltry sum in the eyes of Canadians by the time this government has finished its mandate in office.

• (1650)

I come to another point. Under the heading "Security of Energy at a Fair Price" we find the following paragraph:

> A petroleum price auditing agency will be established to investigate and report to the government and people of Canada on oil company costs, profits, capital expenditures and levels of Canadian ownership.

There is no legislation, nor was any reference made in the House today by the Minister of Energy, Mines and Resources to this new commission. I simply wonder aloud. When I asked the minister a week ago last Friday about this particular commission, he seemed to be under the misapprehension that he already had the powers for this agency on the basis of the petroleum monitoring act which now allows the government to make a full audit of the oil companies' books. We have not had any decision with respect to this new agency. We have no idea what the government is talking about with respect to the mandate and what is happening. So there is another item promised in the Speech from the Throne on which there has been absolutely no action nor any indication of action planned in the immediate future.

I hope I have 40 minutes to carry this out because the promises are rather lengthy. Generally speaking, I can get rid of my part of the speech very quickly because I can tell you in advance that when I go over these things my reply will be either: no action, no action taken, or none contemplated in the immediate future.

The Speech from the Throne goes on to say:

> In spite of Canada's large energy resources, which put this country in the extremely favourable position of being a major energy exporter, we remain partially dependent upon imported oil.

That is the understatement of the year. It continues:

My government is determined to reduce that dependence by promoting conservation and by stimulating the production of new domestic energy supplies.

Not one initiative has come to pass. There has been nothing taken of a novel nature in terms of the new initiative on energy conservation nor in obtaining newer and other supplies of this precious commodity. Another item says that mandatory fuel efficiency standards for automobiles will be established. Policies will be designed to improve home insulation. Where are the legislative enactments with respect to these initiatives? What are we looking forward to? Does the manufacturer of automobiles in this country know what kinds of constraints will be placed on him with respect to the production and manufacture of automobiles? When will the home owner become apprised of what additions and benefits will be available to him or her? I suspect this will probably be just after the heating season commences next winter so they will be unable to take advantage of it for at least another year.

Here is another item:

In co-operation with provincial governments, other steps will be taken to encourage more rapid substitution from oil to other energy sources in order to substantially reduce the significance of oil in meeting our energy needs.

There is nothing; there is not one indication of any movement in this direction.

Here is another item:

Policies will be introduced to encourage consumers to switch from oil to natural gas or electricity for home heating.

Mr. Deans: That is in the United States.

Mr. Hnatyshyn: I am glad for that intervention, Mr. Speaker, because it gives me cause to consider that it may be that we have heard the speech from the hon. member for Hamilton Mountain already, if that is the extent of his contribution. I hope not. I hope we will hear from him and I hope we will find out where he stands on this important issue so he can go back to his steelworkers in Hamilton and get their unblemished support.

I shall now continue. The next item says:

My government equally favours the earliest possible construction of a natural gas pipeline to Quebec City and the maritime provinces—

I guess I have to give the government a C-minus for this item because if I had left off the words "and maritime provinces" I suppose that might have been some indication that they had taken some steps. The maritime provinces are out on a limb again as usual with this government. There is no consideration with respect to the long-term energy requirement for that part of the country, and I would say we would have to give them a C-minus with respect to that. It is very encouraging to see at least in one of these items there has been some small statement of their policy.

Here is another item:

Petro-Canada will be maintained and expanded as an instrument of public policy.

Further in the same paragraph it says:

—our national oil company will also receive a renewed mandate to engage vigorously in oil purchase negotiations and agreements with foreign suppliers.

That is a nice statement of intention, but again I have to state regretfully that there has been no indication that that policy will be introduced in the immediate future. There has not been exactly, from what I hear, a plethora of Petro-Canada people rushing around trying to get external contracts. As far as I know, the initiatives that have taken place while I was minister are still the only initiatives that are being undertaken by this government.

We are almost at the end. I just want to conclude and make another reference to the Speech from the Throne as follows:

You will be asked to approve a new Canada Oil and Gas Act, which will provide new preferential rights for Petro-Canada and other Canadian companies—and establish new and more demanding requirements for exploration and development of these promising frontier areas.

This has not happened yet. Maybe it will happen later on. Maybe when we get back and the government has had a chance to consider its priorities, we will have some idea of what the government is going to do with the Canada oil and gas act and the regulations which are now in effect.

The last item to which I shall bring your attention is this:

An alternative energy corporation will be created with a mandate to stimulate the development of new and renewable energy sources to replace oil.

There is nothing except some suggestion in question period today that this is one of the things which the minister was giving serious thought to. It may be, indeed, a subsidiary of Petro-Canada. But there is nothing too precise. No action has been taken. All we hear is promise after promise, without the suggestion of any sort of movement with respect to all of these undertakings made by this government in the Speech from the Throne.

The government came into power on the basis of introducing, at an early date, an energy policy to meet the crisis we face in our energy situation in Canada today. It has been virtually inactive in any area of energy development and energy policy.

Mr. Deans: You tell us what your policy is.

Mr. Hnatyshyn: I have one final point. I believe the time allotment is 40 minutes, and I have another ten minutes, and then I will be finished.

Mr. Deans: You are not going to use the ten minutes, are you?

Mr. Hnatyshyn: Yes, I am.

I know that the hon. member for Hamilton Mountain is interested in getting into this debate, so I think it is only incumbent upon me to take the initiative that will allow him to speak so we can hear him and allow the New Democratic Party to carry on.

Mr. Deans: I will speak at eight o'clock.

Mr. Hnatyshyn: I move, seconded by, the hon. member for Provencher (Mr. Epp):

That the House continue to sit this day through the dinner hour in order to consider the motion of the President of the Privy Council now under consideration, including any amendment or amendments proposed thereto.

The Acting Speaker (Mr. Blaker): Order, please. I should interrupt the hon. member and advise all hon. members that it is the intention of Madam Speaker to enter the chamber in a moment or two in order to give a ruling with respect to the amendment put by the hon. member for Oshawa (Mr. Broadbent), the Leader of the New Democratic Party. I might add that perhaps the best way to proceed is for the hon. member for Saskatoon West (Mr. Hnatyshyn) to continue. I have another problem however, in that it becomes private members' hour at five o'clock. I note that the hon. member's amendment proposes that the debate continues this day through the dinner hour, but it does not deal with the subject of private members' hour. However, that matter is easily handled by unanimous consent.

Momentarily I think I would have to put the amendment as proposed by the hon. member for Saskatoon West. But I think the best way to proceed is that I suggest we continue with the hon. member in debate if the House gives it unanimous consent—

An hon. Member: Five o'clock.

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Collenette: Mr. Speaker, I think it is incumbent upon you to put the motion immediately you receive it, according to Standing Order 6(5). This motion cannot be put in private members' hour. The assumption is that we will come back at six o'clock and continue debate on the adjournment motion. That will not interfere with private members' hour in any way.

The Acting Speaker (Mr. Blaker): That is understood. Nor can the present motion be debated. I will have to ask for the yeas and nays.

• (1700)

Those opposed to the motion will please rise.

And more than ten members having risen:

The Acting Speaker (Mr. Blaker): There being ten or more members who have risen in opposition, the motion is considered to have been withdrawn.

Motion withdrawn.

Mr. Hnatyshyn: Mr. Speaker, since the NDP are more interested in eating than debating—

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: —I will call it five o'clock.

Madam Speaker: Order. The hon. member for Oshawa (Mr. Broadbent) has offered an amendment to the adjournment motion which is currently under debate before the House. There is no question about the importance of the matter referred to in the hon. member's amendment. However, the Chair sees a serious difficulty with its procedural acceptability. What the House is now debating is strictly a motion to adjourn for the summer recess. The amendment of the hon. member for Oshawa is a distinct proposition, asking the House to pronounce itself on certain matters relating to the construction of a portion of the northern gas pipeline and on the financial guarantees relating thereto.

In the opinion of the Chair, this is a new proposition of a substantive nature which could only be brought forward before the House after the required notice. As hon. members are aware, there are many precedents in the *Journals* of our House to support the position of the Chair in this instance. May I refer hon. members to such a ruling as appears at page 330 of the *Journals* for July 7, 1967.

I might also refer the House to citation 437 of Beauchesne's fifth edition, which reads as follows:

(1) An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

(2) An amendment may not raise a new question which can only be considered as a distinct motion after proper notice.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon West (Mr. Hnatyshyn)—Energy—Export of natural gas to United States; the hon. member for Portage-Marquette (Mr. Mayer)—Air Transport—Scheduled jet air service to Brandon, Manitoba; the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—Environmental Affairs—Movement of oil by tanker—Government representation at U.S. hearings.

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

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Madam Speaker: Is item No. 8, in the name of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), allowed to stand by unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is item No. 11, in the name of the hon. member for Waterloo (Mr. McLean), allowed to stand by unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is item No. 12, in the name of the hon. member for Prince Albert (Mr. Hovdebo), allowed to stand by unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is item No. 14, in the name of the hon. member for Lévis (Mr. Guay), allowed to stand by unanimous consent?

Some hon. Members: Agreed.

* * *

[*English*]

NORTHWEST TERRITORIES

RECOMMENDATIONS SUGGESTING CONSTITUTIONAL DEVELOPMENT

Mr. Dave Nickerson (Western Arctic) moved:

That, in the opinion of this House, the government should consider the advisability of implementing the recommendations contained in the report of the special representatives of the Prime Minister on constitutional development in the Northwest Territories.

He said: Madam Speaker, maybe I should wait a few minutes until all the assembled multitude depart. I see they are on their way out.

Mr. Taylor: In more ways than one.

Mr. Baker (Nepean-Carleton): The steelworkers' friends.

Mr. Nickerson: The report of the Prime Minister's special representatives on constitutional development is this turquoise coloured report which has been circulated to all members of Parliament and widely circulated throughout the country. It is a particularly important document in that in the latter part of the twentieth century it surely must be apparent to Canadians that certain parts of this country are still subject to what we must call semi-colonial rule.

Canada is a federal country, but part of the population, those living in both the Yukon and Northwest Territories, are deliberately excluded from this great confederation. The rights and privileges of citizenship which everyone else in Canada enjoys, and which in fact are taken for granted in the provinces, are not available to those who live in the northern part of Canada.

In the area from which I come and among the people I represent, these constitutional issues are probably the most burning ones we have. The constitutional issues in the north impinge on all the other issues with which we have to contend. How can you really talk about land claims and economic development proposals if you divorce them from the overriding constitutional ideas? Our situation is in one way comparable to and in another dissimilar from that in Quebec. In Quebec they are trying to get out of confederation; in the Northwest Territories we are trying to get into confederation.

Maybe I should delve a little into the history of how the Drury report came into being. About 12 years ago, 1967-68, the report of Mr. Dean Carrothers was made available. That was one of the first studies into constitutional issues in the territories. Some of the recommendations made by Mr. Carrothers, those concerning the wholly elected territorial legislature, development of a cabinet type system of government in its very earliest stages, were put into effect. The government of the territories was transferred from Ottawa, where it had been previously, at least in the war years, very much a committee of senior bureaucrats. It was transferred physically to the Northwest Territories.

Ten years later, and this in a time period recommended by Carrothers, people again started to look into the question. At that time the legislature did not want somebody else to come up and make yet another study. Therefore, the proposal at that time was to set up a negotiating committee, on the one hand comprised of members of the territorial legislature, those with executive positions, and on the other hand ministers of the federal Crown.

At that time the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) was minister of Indian affairs and northern development. Unfortunately that gentleman did not really understand the mandate given to him under the Department of Indian Affairs and Northern Development Act. He did not know what he was supposed to do. He was in a daze. He really did not understand the issues. Because of his failures the matter was taken out of his hands by the Prime Minister of the day. The Prime Minister (Mr. Trudeau)—I think originally just to prolong matters or to put them to one side—appointed the Hon. C. M. Drury as his special representative. I think we must be pleased that the Prime Minister did take that action because in the opinion of just about everyone in the Northwest Territories Mr. Drury did a very good job. He was one of the first people to come into the Northwest Territories on behalf of the federal government and really talk to the people there and find out what they want. His report reflects their views more

than it does, possibly, the privately held views of Mr. Drury before he undertook this exercise.

● (1710)

I think there are many comparisons between the Durham report of 1837 and the Drury report of 1979. Both of them were compiled by eminent statesmen with many years of political and administrative experience. Both gentlemen used competent staffs. They went out of their way to hire competent people and put them to work. Just as the Durham report was the landmark document of the middle of the nineteenth century as far as Canada was concerned, I think the Drury report will be the landmark document, as far as constitutional issues in the Northwest Territories are concerned, in the third quarter of the twentieth century.

The present constitutional state in the Northwest Territories leaves much to be desired. It is somewhat comparable with the state in the old Northwest Territories around 1895. The old Northwest Territories, which comprised that part which remains today and also what are the provinces of Alberta and Saskatchewan, received, prior to provincial status in 1905, responsible government in 1897. This is what we in the Northwest Territories would like to achieve within the next two, three or four years. I think it has to be that close if people there are not going to lose faith altogether in the government here in Ottawa.

When the provinces of Alberta and Saskatchewan were withdrawn in 1905, we went back to the constitutional dark ages in what is presently the Northwest Territories, and since that time we have been evolving. Of late, within the last ten years, that rate of evolution has accelerated, and we who live in that part of the country want, as I said, to be able to look forward to responsible government within the next two or three years. We would like to be able to look forward to provincial status either for the whole of the existing territories or for parts thereof within a reasonable period of time; let us say ten to 12 years. In the old situation it took from 1897 to 1905—that period from responsible government to full provincial status—and I think we should aim at that same time frame today.

I have made some general observations with respect to this report. Now let us look at some of the recommendations which have been made and some of the questions Mr. Drury has addressed. Of course this will have to be a very cursory overview. First he has looked at the question of division of the territories. As hon. members are probably aware, geographically and demographically the area is pretty well divided into two. The western area, which is not dissimilar from northern Alberta, has a developed infrastructure and is much more financially self-sufficient than the eastern area and the High Arctic part. The question of whether those two should remain together or whether they should be separated has been a matter of debate for at least the last 15 years of which I know. This is one of the few areas in the report where I take exception to the recommendations of Mr. Drury in that he feels that for the time being division should not take place. I know many people who would take exception to that view. However, Mr. Drury does not say that the combination should last forever. He thinks that the ultimate choice should be made by the people who live there, and proposes institutions such as a constituent assembly to make these decisions.

He addressed himself to the sticky problem of land claims. Every new minister of Indian affairs and northern development who comes along says that he will settle these things within six months. At least the last five ministers have said that, but I am afraid that the problem is a little more difficult than they originally anticipated.

Mr. Drury has laid down a few principles. He thinks that the agreements in principle are mainly a matter between the federal government and the claimant groups, whereas the implementation of these agreements and principles is primarily a matter between the government of the territories and the claimants themselves. Mr. Drury would take exception to the overriding collective nature of some of the settlements which have been proposed.

Mr. Drury made some valid observations about government in the territories as it exists today. He said, and I quote, "The present system hides real authority and diffuses responsibility," and I think that that is a very valid observation. People do not really know where to go to get things done. Authority is partly here in Ottawa, partly somewhere in Yellowknife and partly somewhere else, and one can never nail down the person who is ultimately responsible or who has ultimate authority.

The perception of government in the territories leaves a little to be desired because of the paternalism which has existed. The idea of government amongst many people who live there is one of delivering of services, welfare services, educational services, etc., but not the alternative or the other part of government, the decision-making or the deciding of policies to be followed. At present I am afraid that that is not really there, and this is due in part to another observation made by Mr. Drury that what we have is a strong administration, both federal and territorial, and a rather weak political system, so we must strengthen the political arm of government in the territories, and I think this indeed is taking place.

Mr. Drury addressed himself to municipal affairs. He proposed, for instance, that minimum municipal powers be placed in a new Northwest Territories act of this Parliament of Canada. He takes as his example for this what is going on in Switzerland. A proposal was made by the Swiss commission of experts in 1977. He makes a recommendation, which makes eminent sense, regarding the ownership of land within a municipality, and that land which is not presently privately held should be transferred to the ownership of the municipality.

Because of the time I have available to me—I see it is only another five minutes or so—I will make a rather quick run through of the other matters which I would like to bring to the attention of the House. Mr. Drury proposes—and this is one of the more important items for us as federal politicians—some rather sweeping reorganizations within the federal government. He thinks a minister of federal-provincial territorial relations should be appointed. In fact there was a minister of federal-provincial relations sometime ago. He no longer exists and another one has not been appointed. Instead of the Minister of Indian Affairs and Northern Development, that minister at the federal level should be responsible for the administration of the Northwest Territories Act. He should be the person to whom the commissioner of the territories should report in the interim.

● (1720)

He thinks the Minister of Indian Affairs and Northern Development should divest himself of the northern development side of his portfolio, become the minister for native peoples and be the spokesman in cabinet for the native peoples of Canada, and that those things now done by that department in the north should be transferred to the legitimate branch of government which takes them over. Of course some could be transferred to the government of the territories. There are other things such as the administration of oil, gas and minerals. Would it not be logical if that were transferred to the jurisdiction of the Minister of Energy, Mines and Resources? Is it not logical that the responsibility for major public works projects should be transferred to the Department of Public Works? Is that not what it is there for? Similarly, would it not be logical for environmental matters, agricultural matters, etc.?

I should like to refer to the transfer of those areas of responsibility presently under the jurisdiction of the federal government which, in all honesty and all right, should be transferred to the territorial government. I am referring to areas of provincial nature such as forests, the environment, agricultural matters, inland fisheries and justice. We should have our own attorney general instead of being dependent upon the Attorney General of Canada (Mr. Chrétien). Also, there are labour matters, certain remaining health matters, matters dealing with territorial waters and housing. These things could be easily and justly transferred. Mr. Drury touched on the problems relating to education and housing in the north.

Another very important matter is the transfer of land and resources. If we in that part of the country do not control our own land and resources, we never will have those revenues with which to finance provincial status. As an interim measure the administration of the land, if not the ownership of it, could be transferred. We could devise a system of resource revenue sharing whereby as an interim measure, again, we would be prepared to put a cap on those revenues accruing to the people of the territories. After that cap has been reached, then the revenues could be shared on a 50-50, 75-25 or "you name it" basis with federal authorities.

These land items are extremely important. The executive arm of the government of the territories must be made more workable. The situation is that the present commissioner is the chairman of the so-called cabinet and a federal civil servant. This situation just does not work. As an interim measure the commissioner must become a federal agent, not a departmental employee. His position must evolve into that of lieutenant-governor. The executive council of the territorial governments must evolve into full provincial-type cabinets.

There are a number of very important financial recommendations which Mr. Drury made, but in 60 seconds I cannot get through many of them. The main idea is that the territory should negotiate with the federal government very much the same as a province does in matters of financing. They should not have operating and capital grants. They should take part in the equalization payment system and the revenue stabilization program. These are some of the very, very important recommendations made in this report. Mr. Drury has done a good job. He is showing us the way. Now, let us have the fortitude to carry out some of his recommendations.

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I should like to speak to Motion No. 15 in the name of the hon. member for Western Arctic (Mr. Nickerson) which reads in part:

That, in the opinion of this House, the government should consider the advisability of implementing the recommendations contained in the report—

That refers to the Drury report. The hon. member ought to ask himself whether he really does any justice to the cause he espoused in the House this afternoon.

Given his stated concerns on this particular matter, concerns which I share with him and I believe are shared by every member of the House, I am rather surprised that in stating those concerns he chose to use this particular vehicle to have his concerns implemented. If the House were to adopt this particular motion, it seems to me it would in some respects fly in the face of the very authority he quotes, the Drury report. Contrary to what the member suggested, I am sure in good faith in the last few minutes, the report acknowledged that there was no consensus on the substance or process of change. That was one finding the hon. member did not mention this afternoon, that is, that there was a lack of consensus on the very subject we are talking about. A lot of good ideas came from the report, as well as a lot of good suggestions and concrete recommendations which I will come to in a few moments. But I believe the first thing which needs to be said is that the hon. member for Western Arctic may well be defeating his own purpose if he persists in getting the kind of decision from the House he advocated this afternoon.

The Minister of Indian Affairs and Northern Development (Mr. Munro) within three or four days of taking office showed clearly his commitment to this particular issue. One of the first press releases or public statements the minister issued dealt with this very subject. It reflected his particular priority for the issue and the concern of the people of the Northwest Territories. He said then that he was anxious to get on with the job and that he would not tolerate any undue delay on this particular subject. Having said that he would not tolerate any undue delay or procrastination, I am sure the hon. member for Western Arctic would not want to see the government rush into something and lock the people of the Northwest Territories into a mechanism which time will prove may not serve them very well.

I should like to say just a word or two about background. Most of us will know that by the late 1970s the territorial government in Yellowknife had been in place for a decade or so. With the support of elected territorial councillors, it was pressing for evolution of responsible government along the traditional Canadian provincial pattern. On the other hand, native associations have sought through their land claims to establish unique political jurisdictions and processes aimed at protecting their positions in northern society.

Large-scale resource development projects were imminent. This placed increasing pressure on native associations, the territorial government and the federal government to find a means of settling land claims and charting a course for future constitutional development. Against that particular background, in August, 1977, the federal government appointed the Hon. C. M. Drury as special representative to the Prime Minister (Mr. Trudeau) to consult with the residents of the Northwest Territories about modifications and improvements to existing government institutions in the north, and to seek a consensus on future constitutional development which could then be co-ordinated with the land claims process I have already mentioned.

One point needs to be reiterated. For approximately two years Mr. Drury canvassed opinion in the Northwest Territories by travelling extensively throughout the Northwest Territories and meeting with various groups of individuals. After all that process had been gone through and after the findings had been recorded, one key factor still stands out, the one I alluded to at the beginning, and that is the lack of consensus on the substance and the terms of the change required. Surely, that alone is argument enough not to delay unduly but to proceed with caution, and that is what the Minister of Indian Affairs and Northern Development gave notice he intended to do on March 7. I shall not take up the time of the House unduly because the hon. member for Western Arctic has done a good job in providing hon. members with some of the cardinal principles involved.

● (1730)

I wish to turn to consider the government's intentions as far as the Drury report is concerned. As I said, it covered a wide range of proposals. Some were of a purely administrative nature. Others would involve quite sizeable shifts of responsibility both within the federal government and from the federal government to the territorial government. Local government is also involved. Because of the complexity of many of these proposals the government has not yet concluded its deliberations on this matter and is not prepared to make any definite announcement of action at this time. Indeed, in my view, it would be presumptuous of the government to decide hastily on questions of such vital interest to residents of the Northwest Territories and to us all. The territories has its own legislative assembly and we are anxious to have the views of that body on many of Mr. Drury's recommendations. Right now, we would have to reach decisions without hearing the views of that body. Surely, it is illogical to suggest we ought to give greater jurisdiction to a group of people without asking them to offer considered opinions as to the kind of government they want. Hopefully, the views we are seeking will be articulated in the session of the legislative assembly scheduled for Frobisher Bay in October. In particular, the government is anxious to have the report of the Unity Committee established by the legislative committee to review, among other things, the proposal that the territories be divided, and that a new territory of Nunavut be established which would include, basically, that part of the territories lying north of the tree line. This question is of great importance to all territorial residents and, indeed, to all Canadians, and it must be studied carefully.

The federal government is moving with all due haste, in concert with NWT residents and institutions, to determine the direction in which constitutional development should be going in the Northwest Territories. No clear consensus has been made manifest. There are very real differences of opinion held between segments of the territories' diverse population. The government wishes to reconcile these divergent views, insofar as this is possible, before determining upon an appropriate course of action. Complicating the situation to some degree, as you know, Mr. Speaker, are the land claims negotiations being held or to be held soon, with the major native associations in the territories. Senator Davie Steuart has been appointed to conduct these negotiations with COPE. The Minister of Indian Affairs and Northern Development will announce very soon the appointment of a negotiator for the claims by Inuit Tapirisat. All of these balls are in play, and all impinge one upon the other.

I repeat that the government is moving as quickly as possible to determine appropriate responses to Mr. Drury's recommendations. The issues are as important as they are complex, and the greater good will not be served by moving precipitously. There is no disagreement that a greater degree of responsible government should be provided to the Northwest Territories. This objective is entirely consistent with the government's policies.

The problem is one of timing and one of degree—one of endeavouring to satisfy the aspirations of as many residents of the territories as possible. This takes time. Surely, residents of the Northwest Territories cannot criticize the government for ensuring that any changes ultimately made will have the

support of as many as possible of those who live in the region. As I say, this will take time but it is our view that it should take as little time as possible. We shall address ourselves to that aspect as well.

As hon. members know, Mr. Drury did not recommend any specific model of government for the territories of the future. This must be developed in co-operation with the territorial government, other territorial organizations and interested residents. I repeat that a solid and lasting framework is more likely to be achieved if due consideration is given to all points of view. This process is now in train. The hon. member has my assurance on behalf of the minister that he is pursuing this process as quickly as possible with a view to accommodating the real concern expressed today by the hon. member for Western Arctic. Our difference is not one of substance. We disagree with the vehicle by which he seeks to achieve his objective. For that reason we shall oppose the motion he has put down, though we do not question the sincerity of his clearly stated concerns for the future.

Mr. Peter Ittinuar (Nunatsiaq): Thank you, Mr. Speaker. I am quite pleased to be speaking today on this motion put forward by the hon. member for Western Arctic (Mr. Nickerson). It is one with which I think the people of the north in general would not agree.

It is a very small group in the Western Arctic which actually supports the hon. member's motion. As a matter of fact, most of the contents of the report we are discussing were devised by the bureaucracies of Yellowknife and Ottawa. On many occasions the native people in the Northwest Territories refused to speak with Mr. Drury when he approached them about writing his proposal. I myself had the experience of meeting with Mr. Drury on a couple of occasions when he asked me questions about my ideas about political change in the Northwest Territories. He rejected my views. He rejected outright ideas proposed by the Inuit Tapirisat of Canada, the Dene Nation of the Western Arctic and others. These included recent permanent residents of the territories.

• (1740)

I would like to comment on the Drury report by posing three questions which we feel are important in discussing the report. The three questions are: why was Mr. Drury appointed in the first place, what are the principal features of his report, and what should be done with his report. I have already stated what should be done with his report but, in all fairness, I shall delve into the matter of the history of his appointment and why he would choose to take the course of action which he proposes.

I would like to look initially at the first question. When Mr. Drury was appointed, it was at a time when the future of the Northwest Territories and its peoples were causing considerable consternation in Ottawa and in Yellowknife. The Berger inquiry had been revealing to southern Canadians what many people in the north had known for years, that in many ways the Northwest Territories more closely resembled a colony of the south than an integral part of the Canadian political framework. I believe the hon. member for Western Arctic on that.

The popular sentiments expressed before Judge Berger were being stated to the federal government at the time by leaders of the Dene Nation and leaders of the Inuit. Both Dene and Inuit had rejected Ottawa's interpretation of land claims negotiations as a process by which the federal government assumed clear title over the areas of traditional use by aboriginal peoples in exchange for small strips of land and money—in other words, beads, trinkets, blankets, and what have you, were indexed for inflation.

The aboriginal people of the Northwest Territories had stated clearly that land claims negotiations could not be pursued to successful completion if they started on the premise that negotiations constituted some kind of giant real estate transaction. Northern natives wanted to accomplish what had not been attempted up to that point, an accommodation between the needs and aspirations of northern peoples and the concerns of the federal government—a government mandated to speak for Canadian citizens as a whole.

I should like to be quite honest and say that statements made by many native citizens before Justice Berger and the ideas articulated by the leaders elected to head representative native associations scared many people, particularly in Yellowknife and some in Ottawa. The newly heard native leaders were perceived as a threat to the status quo, a status quo which may have satisfied Ottawa and the Yellowknife bureaucracy, but which was less than satisfactory to the people whom it governed. Thus, in late 1977, the federal government faced the problem of what to do about land claims negotiations when the native peoples involved insisted on talking about political development as well as ownership of the land and resources. I might add that most people in Canada enjoy the freedom of being able to talk about political change, a freedom which would have been denied to native people if the Drury report were implemented, at least in the Northwest Territories.

The federal government tried to resolve this problem with the appointment of Mr. Drury as special representative for constitutional development in the Northwest Territories, thereby deferring questions of political development until the completion of the report. At the same time, Dene and Inuit leaders were informed that matters of political structures brought up during land claims negotiations would be, in the words of the personnel employed at the office of native claims, a "non-starter".

This 1977 policy has resulted in a three-year impasse in negotiations between the federal government and the Inuit Tapirisat and between the federal government and the Dene Nation in the Western Arctic. It is apparent that land claims negotiations in the north have been delayed by the Drury process. With this in mind, I would like to review the major features of the Drury report.

The report contains a wide range of recommendations with respect to the discharge of government services in the Northwest Territories. Many of the recommendations, particularly

the ones regarding the transfer to local government of as many functions as can be effectively handled at that level, are commendable. We admit that. The report's concentration on the nitty-gritty of government services, however, is at the same time its chief strength and its chief weakness. While the report contains many comments and conclusions about the need to build on existing experience and success with its local self-government, these comments and conclusions would be equally germane to any outcome of the debate on division.

The tone and substance of the report is based on Mr. Drury's acknowledged premise that the manner in which government programs are administered is more important to the people of the north than the nature of the political structure. This premise is totally at odds with reality. It is at odds with the events which have taken place in the north during the last few years, and it is at odds with the position of the Dene and Inuit organizations which speak for the majority of the residents of the Northwest Territories. It is at odds with the position endorsed by the aid to legislative council of the Northwest Territories and at odds with the statements made by members of the ninth legislative council of the Northwest Territories in seeking to formulate a consensus position on political change. It is at odds with the pronouncements of all candidates for the riding of Nunatsiaq and Western Arctic during the last federal election campaign, and that includes the hon. member for Western Arctic.

People in the north have disagreed, sometimes bitterly, about the proper direction of political change and the kind of political structures which should be set in place, but seldom has there been disagreement on the fact that the political questions framed in the north go far beyond tinkering with the provision of government services. In his report, Mr. Drury recognizes that the question of division is a serious one. Nevertheless, he recommends that wide-ranging powers, including full or partial control over Crown lands and resources, should be transferred to Yellowknife. Following this, he suggested that a debate should be initiated in the north to determine whether powers should have been transferred to Yellowknife and whether the Northwest Territories should have been divided. We believe that this is a case of putting the sled before the dogteam.

The report suggests that the people living north of the tree-line should suspend their age-old commitment to a new political unit called Nunavut, watching passively while the Yellowknife bureaucracy is strengthened, and then question the appropriateness of this bureaucracy. The implementation of this report would be totally unacceptable to the people of Nunavut.

Some years ago the Government of Canada committed itself to the settlement of native claims through a process of negotiation with the office of native land claims in the Department of Indian Affairs and Northern Development. All aspects of claims, political, economical and cultural, must be considered in those negotiations, as well as many other aspects, such as equity participation on development, and so on. The federal government's appointment of a special representative for its constitutional development, Mr. Drury, in 1977 bypassed this legitimate process by demanding that the political aspects of claims be channelled through his office and not through these legitimate negotiations. This was, and still is, unacceptable to the Inuit and certainly to the Dene of the Western Arctic.

At the time, this move was somewhat discouraging. However, since then the present Minister of Indian Affairs and Northern Development (Mr. Munro) has made substantial progress in negotiating the framework for negotiations through which land claims and political development will be settled in the Northwest Territories. This is in direct contradiction to the advisability of implementing the recommendations of the Drury report, and this is the process which we will continue.

I believe I speak for the New Democratic Party when I say that the implementation of the Drury report would result in denying the constitutional right of those peoples to determine their own political future. Therefore, we must oppose the motion of the hon. member for Western Arctic.

Mr. Ian Watson (Châteauguay): Mr. Speaker, I welcome this opportunity to speak today on a subject which has been of interest to me for a long time. I want to speak against the motion of the hon. member for Western Arctic (Mr. Nickerson). The suggestion that we should now, immediately, without further ado, implement the report prepared by Mr. Drury is, to say the least, premature. There are some good things in Mr. Drury's report, some things with which I agree and some with which I do not agree.

Mr. Yurko: Mr. Speaker, on a point of order, I am sure that the hon. member would not want to mislead the House. The motion does not say that the report should be implemented at this time or any other time. The motion very specifically says:

—consider the advisability of implementing—

How can a government possibly go against considering the advisability of implementing its own report? The motion says nothing about implementing the report at this time, just about considering it. I am sure that the hon. member would not want to mislead the House.

● (1750)

Mr. Watson: I will speak against the advisability of implementing the report, Mr. Speaker. There are a number of points which are consistently made when this topic is discussed in the House of Commons and which I feel should be dealt with.

The hon. member for the Western Arctic, the hon. member for Yukon (Mr. Nielsen), and occasionally others in the party opposite, referred to the state of colonialism that exists in the north. The hon. member for Western Arctic was a little more moderate—I believe he said quasi colonialism.

The leader of the Conservative party in the Yukon, Mr. Pearson, who for a short period was designated by the former minister of indian affairs and northern development as premier, used the term first-class and second-class citizen. Yukoners apparently are not first class citizens, and the same

argument, presumably, would apply to people living in the Northwest Territories. Let us examine this for a minute, Mr. Speaker.

I would ask the forgiveness of the hon. member for the Western Arctic for my continual reference to the Yukon, but I use the Yukon argument because the Northwest Territories is perhaps a few years behind in constitutional development, but not too many years, so the arguments which apply to the Yukon may apply, two or three years ahead, to the Northwest Territories.

Let us look at the argument that people in those two territories are somehow second-class citizens and are being colonized by the rest of the country. The total population of the Yukon, 23,000, and of the Northwest Territories, 45,000, represents percentages of the Canadian total which do not stand up to comparisons between the situation when Manitoba entered confederation and the situation today, vis-à-vis the total population. The Yukon's percentage of the total population is less than one-tenth of 1 per cent of our total. When Manitoba entered confederation, I believe the province's percentage of the Canadian total was around 1 per cent, ten times higher. Yet the argument is made that the comparison with Manitoba, which had something like 25,000 people when it became a province, favours the immediate move for the Yukon, and later the Northwest Territories, toward provincial status. That is not the case; things have changed, Mr. Speaker.

When Manitoba entered confederation, her population was about to explode. That is not going to happen in the Yukon unless, of course, the kind of thing occurs that is being proposed by certain politicians there who would like an immediate move toward provincial status. In that case, a completely artificial situation would occur. In order to justify provincial status there would be an artificial stimulation of a population move into the Yukon.

This is where we come to the root of the quandary about development in the north. The people who want development per se are usually those with the most political clout who can make the most political noise. Through chambers of commerce and businessmen's associations, they are able to exercise pressure on politicians in the north for an immediate move toward provincial status. They are primarily interested in all the business activity that is anticipated if they could somehow achieve control via the provincehood vehicle.

That is a very dangerous concept indeed from the point of view of the native people. I think the hon. member who comes from the eastern Arctic expressed this in the hesitation he showed in embracing the idea of provincial status. In effect it would mean that with the province in full control of immigration and stimulating economic development in a way that would not necessarily make economic good sense but would bring people in to justify the apparatus being set up, native people would be overrun by a larger population coming in from the south. This is a demographic fear which is well based and well justified, in my view. This is probably the most basic reason why there should be no movement toward provincehood now in the Yukon or in the Northwest Territories.

There are a host of other reasons why we should move slowly in the direction which, for a time last year, seemed to be toward creating a province within the next three years. The then prime minister indicated that he intended to create a province in the Yukon before the end of his first term in office. Fortunately for everyone in Canada, that did not happen. I say "fortunately" because when we are talking about the north we are talking about something which, in the minds of a lot of people in the country, helps tie Canada together.

There is a common heritage which we all share in the north. We share it on the land mass in the north and we share it on the offshore areas of the north. No one in this House would suggest that northerners should not have first call on the resources of the north, the extent of which we do not yet know. As far as I am concerned, they should have first call on them in order to assure themselves of a standard of living second to none. Beyond that, however, I think the rest of Canada should participate in whatever riches are found there.

Until now—and for the foreseeable future—the Canadian taxpayer has been footing a major portion of the bill. We pay 60 per cent of the public service costs in the Yukon and a higher percentage for the Northwest Territories. All Canadians have made these contributions and in fairness, over the long run, we should expect a return.

The path for constitutional evolution should not necessarily be provincehood, it seems to me. It may be provincehood, but we should not bind ourselves to that single objective.

From my experience and through talking to northerners over the years, I believe that the one idea that keeps coming back is, "Let's get rid of that federal red tape." I quite agree. If we could somehow rid the northerners of their impression that they are always tied up in federal tape, we could solve a lot of problems. I would point out as well that politicians in the two northern territories have become as adept as separatist politicians in Quebec at pointing out deficiencies in the federal government. In addition, they point out how in some instances, where there are perfectly normal, legitimate reasons for slowness in achieving results, the federal government is somehow totally to blame because of this insensitive, slow, lethargic public service which looks after relations between the people there and the government here in Ottawa. They point out distances and bring all these reasons together and point out that somehow the system is not working.

● (1800)

We should be aiming for a solution in the north which could be used as a model for future constitutional developments in the rest of Canada. Let us keep our minds open. Fortunately, the report does not specify a single constitutional objective. I would hope that all members of this House could take a new look at just where we are heading in the north. I feel there are other solutions which will help the people in the north better than anything that has been proposed so far and yet will preserve this kind of cement which the common heritage represents for all of us as part of Canada.

The Acting Speaker (Mr. Blaker): Order, please.

Summer Recess

It being six o'clock, I do now leave the chair until 8 p.m. this day.

At 6.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the amended motion of Mr. Pinard:

That, when the House adjourns on the day that this order is adopted, it shall stand adjourned until October 15, 1980, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

Mr. Deputy Speaker: When the debate on the motion was interrupted at five o'clock, the hon. member for Saskatoon West (Mr. Hnatyshyn) had the floor.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, now that we have had the opportunity of dining, the NDP will go up to the dining room to get a few more members into the House to make sure that they have ten here so that any motion which might be contrary to their interests of having a full meal can be overcome.

I want to carry on my remarks. Before the adjournment for the dinner hour, I had the opportunity to consider the position vis-à-vis the record of this government on energy matters as a whole, about which we should be concerned.

I am glad the Leader of the New Democratic Party (Mr. Broadbent) is here to listen to this because rarely does he have an opportunity of hearing good, simple, common sense. He should stay in the House more regularly where he will have the opportunity to hear these contributions. Then he would not be in the position to delay and waste the time of the House as he now does.

Before the dinner adjournment, I stated that it was a rather abysmal record with respect to this government in terms of energy policy. We have had virtually no initiatives at all respecting our energy policy, and no legislation. None of the initiatives mentioned in the Speech from the Throne have been brought forward.

It is amazing that we now have a situation where, as the Prime Minister (Mr. Trudeau) so often puts it, the natural allies of the government, the New Democrats, are making a big ruckus so that it will appear they have a main difference in terms of policy. We know that the Liberal government, for all intents and purposes, over the course of the administration of this Prime Minister, has been kept in office by the very same NDP. Therefore, it ill behooves them to stand up now and pretend they are speaking on behalf of the interests of Canadians when they themselves kept the Liberals in power over the past 12 years by constantly voting, particularly in minority situations, to keep them in power. The people of Canada will reflect on this during the adjournment debate. It will allow them to think about whether there is a trace, or a touch, of hypocrisy in what the NDP are doing in terms of this debate.

What concerns me is that this very government, supported by the NDP, has made no progress at all in terms of energy policy. What is even more distressing and disturbing is the fact that the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Lalonde), in terms of our energy policy and domestic oil pricing, left the whole issue until a couple of weeks or months before the expiration of existing arrangements in Canada. In fact, we have now passed the expiration date on June 30 and are faced with an extension, which has been agreed to by the producing provinces and the federal government, until the end of July.

One would have expected all sorts of activity during the month of July in which negotiations on a new arrangement would have been carried on, but no, we are going to adjourn this House. The meeting of the Prime Minister and Mr. Lougheed will not take place until July 24, a mere six days before the conclusion of the extension period. Many people in Canada do not fully understand the implications of the federal government and the producing provinces not arriving at an agreement. There are certain central issues preoccupying the government in terms of this negotiation.

The central issue, in my view, is the whole question of revenue sharing and the recycling of funds that has been and will continue to flow to the producing provinces. They like to concentrate their attention on the province of Alberta because it is by far the largest producer of oil in this country. We have to look at what is going on in this negotiation.

From my reading of the situation and observing it, unfortunately from the sidelines now, the parties are very far apart in terms of an agreement. The federal government is trying to achieve some process by which there will be a bigger take on the part of the federal government with regard to revenues on oil. There are some suggestions that that is what the federal government is trying to do in this connection. They are talking about a number of prospects through their blended oil price, blending some combination of old and new oil. Through this processing, the Oil Import Compensation Act, to equalize the cost of imported fuel, will continually be reduced through some sort of charge to the refineries. This is something the

federal government is considering with respect to its negotiations with the producing provinces.

I am concerned about the prospect of no agreement having been reached by the end of this month. Unless there is an awful lot of change in position, there is a very distinct possibility that this will take place over a very short period of time. We face the potential prospect of there being no agreement between the federal and provincial governments.

It is very easy to consider different scenarios as to what might transpire if an agreement is not reached. I suppose everyone can make his own scenario, but there are different possibilities we should consider. Conceivably we could stay here if the members of the New Democratic Party decide to speak indefinitely over the course of the summer and bore everybody to death. There are some possible scenarios, and these would involve either the federal government or the provincial governments taking some initiatives with respect to the important question of oil pricing.

● (2010)

One scenario could be that, if there is no agreement, the federal government will decide unilaterally to announce its own energy policy, including a set of oil prices. Let us assume that if the federal government takes that initiative, the province of Alberta, being the largest producer of oil in our country, could either follow those prices or take its own initiative, with instructions to the Alberta Petroleum Marketing Commission to offer Alberta oil at a particular price set by it.

Conceivably the price could be higher than the one suggested by the federal government because the federal government, I suppose, is interested in carrying out its election promise of low prices or cheap energy for Canadians. The federal government price would be imposed under the provisions of the Petroleum Administration Act, part II, and if there were this conflict, another distinct possibility could be a very serious confrontation in the courts. There could be a reference to the Supreme Court of Canada to determine the constitutionality of pricing on the part of the federal government as opposed to the provincial governments, and to determine which should prevail in constitutional terms.

Another possibility is that the province of Alberta could consider using as its weapon the provisions of the Mines and Minerals Amendments Act of 1980 to limit the movement of crude oil out of Alberta. A question could arise as to whether that would be sustainable as being within the jurisdiction of the provincial government to take that option. However, the consequences would be very serious, whether we are talking in terms of conserving a resource which is a depleting resource or using this as a vehicle for strife with the federal government.

Another possibility might be that the Alberta government might consider taking steps with respect to provincial Crown leases or royalty land and simply not allowing any oil to be lifted from royalty land or Crown land. In any event, this could lead to very long, protracted and difficult legal action which would have serious consequences for our country.

In addition to that there is the whole question of whether we in Canada would become more and more reliant on offshore oil. That matter would very quickly come to the forefront because of the uncertainty caused by lack of agreement and because of the possibility of action taken by producing provinces with respect to oil in their jurisdictions, and there is no doubt that if this takes place, there would be two consequences. One would be increased reliance on offshore imports, which would create serious economic consequences for our country, especially in view of the international price and the fact that the oil import compensation program is now in such a horrible deficit position. The second consequence would be the implementation of the Energy Supplies Emergency Act passed in 1979, and we in Canada would be faced with the propect of allocation and presumably rationing of petroleum products.

These could be some of the consequences of the drift and the almost cavalier attitude the federal government has taken in energy negotiations. We should be greatly concerned, as we participate in this adjournment debate, about what is going to transpire, whether or not the adjournment will be until October next. In light of the possibility of there being no agreement, there is the prospect of this kind of confrontation. Notwithstanding the New Democratic Party, we could be back here, if there is no agreement, sooner than we think and sooner than anticipated by this motion.

I am giving the House a report card, so to speak, on this government's record in terms of energy policy. Its record is dismal. There has been literally no action or initiatives taken since this government came to power. We face a very serious prospect of a breakdown in terms of agreement between the federal and provincial governments. The negotiation of an agreement has been left, not to the eleventh hour but to the thirteenth hour. An agreement is past due already.

In a non-partisan and serious way I question the effectiveness of the government, and I question very seriously the New Democratic Party for its continued support of the Liberal government over a long period of time. I know there are arguments and a lot of shouting, but marital breakdown is always very distressing.

With the Liberal party and the New Democratic Party fighting as they are, I want to close my remarks by telling a story told by a person who has been quoted over and over again by speakers from the New Democratic Party. I refer to the Hon. T. C. Douglas. Mr. Douglas is now one of the corporate boardroom bums referred to by the New Democratic Party. It will be interesting to see whether members of the NDP will take advice from Mr. Douglas now as they have in the past. He is a member of the board of directors of Husky Oil. He is with all the bigwigs of the oil industry. He sits with Husky Oil directors and others.

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

Some hon. Members: Agreed.

Mr. Murphy: Filibuster.

Mr. Deputy Speaker: Is there unanimous consent to hear the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Deans said no.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would not want to leave the wrong impression. I did not refuse the hon. member the right to proceed. I was just shaking my head at the pitiful effort he put forward. I could not imagine wanting to inflict any more of that on the House.

I have been listening with interest to the speakers who have preceded me. I listened to the hon. member for Lincoln (Mr. Mackasey) with considerable interest, hoping to grasp or to hear some indication of what the Liberal party really believed. I listened to the hon. member for Saskatchewan West—Saskatoon West—

Mr. Hnatyshyn: Saskatchewan is the province; Saskatoon is the city.

Mr. Deans: I realize that. I listened to the hon. member for Saskatoon West (Mr. Hnatyshyn) with interest because he seemed for one reason or another to want to address himself more to the NDP than to the issue. As I listened to him and tried to compare what he was saying with what has been said by other Conservative members over the course of the last week, or perhaps week and a half, with regard to energy policy and this particular problem of the pre-build, I came to the conclusion, in the words of a close colleague of mine, that the Conservative party, on this issue at least, has more positions than Masters and Johnson.

Mr. McDermid: Bill Davis used that line three weeks ago on you guys.

Mr. Deans: It is a shame that we have not really addressed this very crucial problem. This is an important day in the history of Canada. We are debating an issue which could well decide the economic future of the country. We are talking about whether or not this country will be self-sufficient in energy, with energy available from coast to coast in years to come. We are talking about the single most valuable resource any country can have. We are very privileged as a country because we have energy in various forms and in sufficient quantities to allow us to be self-sufficient. We have energy which very few industrialized countries in the world have available to them, we have the capacity right in this country to develop an economy, job opportunities and a quality of life second to none. Yet, the government makes a decision which allows some of that very valuable energy, which no doubt we will need some day in the future, to be exported out of the country to the United States without any consideration for how it will be replaced, what it will cost to replace it, or for the fact that future generations will require that energy for their needs. That is what the issue is all about today, and that is what we should be talking about.

• (2020)

I thought for a while that the Liberal party understood the issue. I listened with interest to the comments made by Liberals over the course of the last year. I read with interest what was said by the Liberal party during the debates in the House of Commons prior to the last election and on the hustings during the last election. I read with interest the comments of the Minister of Industry, Trade and Commerce (Mr. Gray). Here is a nationalist if ever I saw one, or at least so he says. As reported in *Hansard* of December 12, 1979, he said:

> The Conservative answer to our balance of payments problem is to encourage more exports of unprocessed non-renewable raw material. This, in fact, is what their decision to allow larger exports of natural gas really means. Rather than use it to build up and expand our petrochemical industry, rather than use it as a substitute for imported oil, Conservatives have agreed to export it, and they have done so without getting any commitment that American gas will be available later for Canada on a swap basis at the same price.

He then went on to say:

> They have done so without getting any commitment in return from the United States for greater access for our manufactured goods. The Conservatives have allowed these exports, without getting any final commitment on the building of the northern gas pipeline. They do not have any final commitment from the gas producers that they will finance and ensure the building of a natural gas pipeline to Atlantic Canada. Instead, through this budget, Canadians are being asked to pay higher fuel prices and higher taxes under the guise of helping Canada reach energy self-sufficiency.

He went on to say:

> But to the extent any of this money is used to find new oil and new natural gas, I ask the House what assurance Canadians have from the Conservative government that any new reserves found at the expense of Canadian taxpayers, middle and lower-income Canadians, will not simply be exported to the United States.

This is happening with much of the reserves of natural gas found in recent years in Canada, natural gas reserves found with money put up by Canadian taxpayers through higher prices and tax expenditures. That was the present Minister of Industry, Trade and Commerce speaking in the budget debate. When one reads that, one says to oneself, "Now, there is a man who knows what the problem is". My colleague sitting beside me said under his breath, "What a phony". I wish he would say it louder.

An hon. Member: What a phony.

Mr. Deans: Thank you. It is quite clear to everyone exactly what that was. Of course it was not only the Minister of Industry, Trade and Commerce. He is not the only phony on the Liberal benches.

Mr. Broadbent: Do not forget the Tories.

Mr. Deans: We will get to the Tories. I should like to refer to the present Minister of Finance (Mr. MacEachen). He said before the Standing Committee on Northern Pipelines on March 20, 1979:

> It is the policy of this government that we will insist upon a guarantee that the total line be built, that the financial arrangements for the building of the entire line be in place before we give the green light for going ahead with the pre-build.

That was the Minister of Finance speaking. There was another phony, if I ever heard one. Then there was the Minister of Energy, Mines and Resources (Mr. Lalonde),

kindly soul that he is, speaking on behalf of Canadians and looking after our best interests, so to speak. As reported in the record of the House of Commons for the fall of 1979, he said:

> In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

Well, we have the phony Minister of Industry, Trade and Commerce, the phonier Minister of Finance, and now we have this kindly gent who poses as the Minister of Energy, Mines and Resources and tries to tell us that, all of a sudden, as if by some magical means, a new light has dawned and he sees a new truth. Now he is really speaking on behalf of the Liberal party and in the best interests of Canadians. What kind of nonsense is this? What kind of nonsense are we faced with? We are faced with a bankrupt political party which sells out the country, a political party which turns around and allows development to take place which in fact will cause untold hardship in years to come. We are faced with a political party which does not protect the interests of Canadians, a political party which says one thing that suits it one day and an entirely different thing another day.

An hon. Member: And your party supported them last December.

Mr. Deans: It does not even marginally alter its position, but it changes 180 degrees every time. One has to wonder about this political party; in office and out of office they are a very strange bunch.

Not only did they say those things while they debated in the House of Commons, not only did they put these positions forward in an attempt to embarrass the easily embarrassed Conservative party, but then they went out on to the hustings and told Canadians that they would put in place an energy policy which would work in the best interests of Canadians.

On January 25, when the Prime Minister (Mr. Trudeau) spoke in Halifax, he said quite clearly that the Liberal party would put in place an energy policy that met all the requirements which guaranteed Canadians access to their resources, which would make available to Canadians the energy resources they needed at a price they could afford, that we would see the kind of energy policy coming from them, if they were re-elected, which would satisfy the needs of Canada now and into the future. For example, they said that there would be a natural gas pipeline to ensure access by all Canadians to their resources. The Liberals would take immediate action to begin negotiations for the construction of a natural gas pipeline to Quebec City and the maritimes. Initially it would carry natural gas east, but when the maritime supplies were ready, the pipeline would be like a natural gas railroad with a return delivery facility as well.

An hon. Member: Double tracking.

Mr. Deans: Perhaps he was talking about double tracking. He went on to say that the Liberals would ensure that Canada's energy sector became more Canadian-owned and controlled. Also he said that industry would be developed close to energy sources, so that producing areas in the west and elsewhere would have first chance at processing the resources. Where will it be developed? Will it be in the southern United States? Is that the government's policy? The Liberal party was stumping around the country trying to gain support during the last election campaign. When the Conservative party approved of 3.75 trillion cubic feet of natural gas being sold to the United States, on January 9 the Prime Minister, who was then leader of the opposition, said:

> By just approving that export without conditions, it lost another great chance for our industrial development.

He was referring to the Conservative government. Hon. members are bound to ask themselves: What is it about this political party? What are the people supposed to believe about this political party? This Liberal party, when out of office, says anything it can to get into office and when it is in office, does anything it can to get rid of the resources of Canada. I had a colleague in the legislature and he sometimes used a phrase which I shall repeat—no doubt members have heard it before. He used to say that putting the Liberals in charge of resources was like putting Dracula in charge of a blood bank.

● (2030)

There are problems attached to the course the government is about to embark upon and there are risks which Liberal supporters have failed to recognize. I watched with a sick feeling as Liberals leaped to support the minister of energy as he made his statement the other evening. I watched as they euphorically applauded the sell-out of our resources, the building of the pipeline from resources we are going to need, to provide for the greed of the United States. I watched it happening. I said to myself: surely they do not understand the position; surely they do not have the evidence before them; they cannot know what it is all about or they must be very easily led. Accordingly, I thought I would put on record tonight some of the reasons for which I believe that this proposal is bad for Canada now and will be bad for the nation in the future.

To begin with, it has been said that the rate at which natural gas is being discovered, not only here in Canada but in the lower 48 states and in the Gulf of Mexico, makes it quite possible, if not quite probable, that given the high cost of bringing gas from Alaska to the market the project will not be pursued—that at some point in time there will be more readily-available and cheaper gas for exploitation by the United States, not only in that country but here, where they are getting access to our supplies of natural gas. So there is no reason for them to spend many billions of dollars pursuing an expensive source of energy after we have given them free access, as it were, to cheaper energy sources.

In addition, there is no question that once we have committed ourselves to the pre-build, Canadians will have to finance the entire operation by continuing to export the natural gas which belongs to us for far beyond the short term envisaged by

the present decision. Further, there is no question but that the history of the last decade is repeating itself. The same Liberal government as we see there today made all kinds of grand predictions in the past about the availability of oil and then proceeded to sell it off as quickly as they could at a cheap price until we were forced to go into the marketplace and buy back what we needed. At that point, of course, the price was way out of proportion to the cost of production.

I suggest the same thing is about to happen again in the case of natural gas. The Liberal party is certainly consistent in this regard. We shall find ourselves in the position of having to buy natural gas from other sources in the not too distant future and in so doing we shall be paying ten or 20 times what we might have paid had we held on to our own supplies.

Some hon. Members: Hear, hear!

Mr. Deans: The minister says there is a surplus of natural gas. Mr. Speaker, there might be a surplus of commodities which can rot; there might even be a surplus of products which can go out of date. But there can be no surplus of energy. We do not even know at this point what kind of economic development will take place in Canada in the future. Bear in mind that so far we have been unable to provide natural gas for the people in our own country who so desperately need it. We are being forced today to pay something like $3.6 billion to subsidize the purchase of oil from offshore though we could have used our own natural gas to replace expensive foreign oil. Until such time as we have an industrial strategy in place and until such time as gas is available to people all across this country, bringing them energy at a price they can afford, there is no one in this government or in the National Energy Board who can prove to me that there is in fact a surplus.

Some hon. Members: Hear, hear!

Mr. Deans: There is no surplus.

Mr. Gimaïel: You have to prove it.

Mr. Deans: I do not have to prove it. It is as plain as the nose on your face. We do not have a national energy policy. The Liberal government has no idea how they are going to integrate our energy resources, no idea how they will be used. They do not know what proportion of our energy needs will be met by oil or what proportion will be met by gas or what proportion will be met by electricity or what proportion will be met by coal, not to mention new resources. Until such time as an energy policy is in place, how can we determine that there is a surplus of one of the components? What the government is doing, supported by its inadequate backbenchers, is this: it is rushing ahead to sell off our gas reserves for a quick buck today without any consideration for the cost of replacement or for the needs of people in the future.

Mr. Rossi: How can you say that without smiling?

Mr. Deans: Anyone looking at this so-called energy policy would have to agree that the decision to go ahead with the pre-build is an ad hoc decision based on nothing of any consequence, based on the creation of a certain number of short-term jobs. Mr. Speaker, if we were to embark on providing a means of moving the gas from the existing natural gas fields to the east and the west coasts, we would be able to provide even more short-term jobs but, in addition, we would be able to set up an infrastructure which would allow us to encourage the industrial and economic development needed to bring about long-term jobs for Canadians. And that should be the goal of any government in office these days.

Some hon. Members: Hear, hear!

Mr. Deans: I am sure Liberal backbenchers are impressed enough now by the arguments—

Mr. Gimaïel: I don't think so.

Mr. Deans: —which have been put forward by many speakers this afternoon.

Some hon. Members: Oh!

• (2040)

Mr. Deputy Speaker: Order. It is difficult to hear in the chamber if hon. members interrupt.

Mr. Deans: Mr. Speaker, I am very sorry that you cannot hear me. I am trying to speak directly to you, and if the Liberal backbenchers would sit quietly, I could have you listen.

An hon. Member: Just like you did last week.

Mr. Deans: You are insulting the Speaker. He wants to hear. Since they do not care, Mr. Speaker, I shall speak to you. Since it is quite obvious that the Liberal party does not give a damn about Canada, you and I will talk about it. There are certain facts about the pipeline which cannot be overlooked. To begin with, we all understand that the total cost of the project will be in excess of $20 billion, perhaps even $30 billion or $40 billion, before it ever gets under way, if it ever gets under way. Over 80 per cent of that cost will be borrowed by the principals from normal lending sources.

This is the largest single financial investment which has ever been undertaken in the private sector. It is clear that the people or institutions lending the money will demand explicit and comprehensive assurances. They will want to have guarantees that their loans will be paid with interest according to a pre-arranged schedule.

Mr. Bosley: Just like Chrysler.

Mr. Deans: The simple fact is that the Alaska highway pipeline sponsors cannot provide those guarantees because the pipeline costs considerably exceed their assets.

An hon. Member: Give us a figure.

Mr. Deans: The figure at the moment is about $30 billion and the total assets of the sponsors do not come close to half of that.

An hon. Member: You're guessing.

Mr. Deans: The pipeline will be financed on the strength of the transmission of gas through the pipeline. Because there are risks that the pipeline might not generate sufficient revenues to cover the debt interest and the generated costs, institutional lenders will demand guarantees.

The guarantees will have to be provided by government at one level or another. There is the serious risk of non-completion of the pipeline. That becomes clearer with every passing day. There is the serious risk, and it is almost a guarantee, of cost overruns on a project of this size. There is of course the interruption or, if you will, the reduction of the service. A Wall Street investment banker, quoted in *Energy Daily* of November 4, 1977 said:

Remember, this is the largest single project ever undertaken by anybody in private industry. For every institution that takes part in it, it will be the largest investment they ever made in anything. No one will move an inch—

No one will sign, no one will put out a penny, no one will sign a document until the guarantees are in place for every single step of the project through to its completion. When one stops to think about it, one says to oneself, "The guarantees, obviously, must come from government". They must come primarily from the federal government of the United States because it is, after all, a pipeline for the United States to bring gas from Alaska to the lower 48 states. That is what the pipeline is all about. Therefore, the United States must find a way to guarantee the financing.

The U.S. department of the treasury has maintained since 1975 that the pipelines' beneficiaries—Prudhoe Bay, Exxon, Sohio, the state of Alaska, the natural gas transmission industry—which, most notably, includes Northwest Pipeline in the U.S. and Foothills in Canada—would have to provide the guarantees required by lenders. In a report prepared for the Alaska state legislature by Dr. Arlon Tussing and released in April, 1979, the following conclusion was drawn:

The Alaska highway gas pipeline cannot be financed and built unless the United States government guarantees at least part of the project debt.

However, Northwest Pipeline Company of the U.S. will find it difficult obtaining financial guarantees from the U.S. government. The report of the U.S. Senate energy committee accompanying the congressional resolution endorsing President Carter's pipeline decision in October, 1977, stated:

It is essential for the project sponsors to proceed with their financial arrangements as promptly as possible. The state of Alaska, the producers, and most of all, the project sponsors should bear in mind that the door to the federal treasury has not been left open to them—

That is the federal treasury of the United States. But much more persuasive, from my point of view, than the rather innocuous self-serving letter put forward by the Prime Minister, is the fact that President Carter in 1977, in his decision and report to Congress on the Alaska natural gas transportation system, rejected government guarantees on the following grounds: one, serious questions of equity result from the transfer of risks to taxpayers, many of whom are not gas consumers and will not receive additional gas supplies as the result of the Alaska project; two, federal financial support substitutes the government for private lenders in the critical risk assessment function; three, the incentive for an efficient management of the project is reduced; and four, the government is placed in conflicting roles as guarantor and as regulator of the project.

President Carter made it clear that on these grounds he would not recommend that the federal government of the United States embark on many guarantees or in any direct way become involved in the financing of the Alaska Highway pipeline. When one stops and weighs that against that quite inadequate document produced in the House last Thursday—

An hon. Member: Unsigned.

Mr. Deans: —unsigned and which was supposed to sell us on the commitment of the President of the United States over and against a carefully thought out position put before his own legislators, I think, if I were to make the judgment, I would believe his original statement, and I believe that the government should believe it as well.

One must also bear in mind that even if the Northwest Pipeline approaches institutional investors with a financial package before the end of 1980, with a presidential election this year Congress will likely not address the question of government guarantees until at least 1981. This pushes the completion back to 1986 at the earliest, and that is already one year later than we heard on Thursday.

If I were to make judgments about the intention of the U.S. government to do something which we must have if this project is to be successful, I would have to come to the conclusion that, on a number of very valid grounds backed up by their own statements, there is no likelihood that the United States will be able to proceed with the development of the pipeline in its entirety, that they will syphon off what they can get from us at the lowest possible price, that we will receive nothing in return other than today's dollar value and that we will inevitably have to purchase gas to replace that gas, for which we will have to pay the price of the day, and that may be five years, six years or ten years from today. That, my friends, constitutes a rip-off of Canadian resources.

Some hon. Members: Hear, hear!

Mr. Deans: I do not wish to suggest that this is only my opinion—

An hon. Member: Stanley is leaving because he is getting a headache.

Mr. Deans: Stanley, please come back.

Mr. McDermid: I could not sit there in front of that either.

An hon. Member: He does not want to listen to you any more because he is fed up.

● (205

Mr. Deans: Actually, in keeping with his former colleague, he has gone out to do some missionary work among you.

Mr. Knowles: I have found that you have exactly ten minutes left.

Mr. Deans: I have ten minutes yet, so wait for it.

We ought to look at what others are saying. We have looked at what the Liberals have said when out of office, when in office, at the flip-flop, the fact that you cannot trust the Liberal government, that you never know where they are coming from or what they will do. We have looked at the sell-out of our oil resources in the early seventies when they were well warned that the result would be higher costs for Canadians. We have looked at the potential of providing at least an equal number of jobs for Canadians, and of building an east-west facility rather than a north-south facility. We have suggested that in the best economic interests of the country and its future, and the need to provide energy at the lowest possible cost for the use of Canadians, we should be building an east-west pipeline rather than a north-south pipeline.

We have suggested that when in 1978 a bill was passed by this Parliament to approve the northern Alaska highway pipeline, it was intended to be a transmission line from Alaska to the United States and that this decision does not conform with that legislation. We have pointed out, I think, that the possibilities of getting this pipeline completed are slim if they exist at all. It is clear that the government in the United States recognizes all the pitfalls I have set out and that the President of the United States has quite clearly set out for his own Congress the fact that they cannot possibly undertake the financing of the pipeline because of a number of factors which I have enumerated.

It is therefore clear to me, and I now suggest to many Canadians, that the decision being taken by the Liberal government today is not in the best interests of Canada. It is that simple, Mr. Speaker. It is that simple.

An hon. Member: What do you suggest, then?

Mr. Deans: I think, instead of talking, if the hon. member had listened, he would have heard. Let me tell him that the learned commentators of the media have set out some very clear positions on this. Almost without exception editors across this country have said that the government's decision is wrong-headed; that the government's decision, if it has to be taken at all, should not be taken now—that it should be delayed and there should be an opportunity for careful review. They have said that if by any chance the decision turns out to be in the best interest of Canada, this should be clear to everyone before the project is proceeded with.

On every open line program, the overwhelming majority of people who have phoned in have made it clear that they want to develop their own resources for their own needs and for the future. There is something wrong with a government that does not listen to anyone.

An hon. Member: There is something wrong with your party.

Mr. Deans: Let me address myself to the mouthy member in the back row. There is an opportunity to do useful things for this country. To begin with, the government should put an end to this now. They should say that the decision was hasty—that they are going to reconsider and make sure that whatever is about to be undertaken is stopped.

Some hon. Members: Hear, hear!

Mr. Deans: Second, the government should make a decision today to build a pipeline from the natural gas fields in Alberta, British Columbia and other parts of the west, to both Vancouver Island and the maritimes. That would provide the short-term jobs everyone says we must have. That would be a concrete decision and would go toward meeting the third goal.

The third goal would be a move toward reducing the need for importing oil to the east coast, a considerable financial burden to the Canadian public, and would enable us to undertake a replacement program which would allow this government and this country to transfer its dependence from offshore oil to natural gas.

The fourth point is that with those things in place it would be possible to start a concerted effort for economic development across the country because we would have an assured supply of energy from coast to coast at a price that we in Canada could regulate. We would have an assured supply of energy coast to coast that would guarantee that our industry could, if we so desired, be more competitive—could be competitive with anyone in the world.

We should be following the example of other oil producers and other energy producers of using our energy and oil to develop the country where we have jurisdiction so that the people of Canada can benefit.

That is the kind of program that I suggest this government should follow. Unfortunately, the government does not appear to have what it takes to make the tough decisions. It is always easy to turn around and give things away—to go for the buck right now, no matter what the end cost will be. That is what this government has done every year it has been in office. That is why this government will, in historical perspective, stand indicted for the moves taken over the last few days.

They will go down in history known for the sell-out of our natural resources.

Some hon. Members: Hear, hear!

Mr. Herb Breau (Gloucester): Mr. Speaker, I appreciate the opportunity of speaking in this debate which I think is an important debate. I suppose the debate could have taken some other form but the NDP decided to filibuster the adjournment debate and take the opportunity to discuss the advantages or disadvantages of the government's decision taken last week to authorize the construction of the pre-build section of the Alaska gas pipeline.

After about a dozen years in Parliament one begins to understand that whenever someone has a position on which he or she is safe, normally they will come forward with facts and

do away with dogma, the doctrinaire attitude and the bombast. But all we had from the hon. member from Hamilton Mountain (Mr. Deans) this evening was bombast. He did not deal with the facts. He kept repeating, "You are selling out the resources of this country. You are not protecting the industrial future of this country." He kept predicting, " The line will not be built. You do not have the guarantees."

Mr. Deans: You are obviously deaf as well as dumb.

Mr. Breau: The hon. member should realize that repeating a falsehood never brings the truth.

What the NDP should come forward with is evidence on which to base their judgment that the announcement last week by the government was as bad as they say. Why do they not come up with evidence on this? All they come up with is dogma and doctrinaire bombasting. I know the NDP well enough to know that whenever they rely on bombast, it means they do not have a case.

The NDP members in the country normally stick together. Whenever somebody from the NDP says something in this Parliament, normally at least, on ideological grounds, in principle, the provincial NDP parties agree with them. There are a few NDP members from B.C. here. The critic on this issue is the hon. member for Vancouver-Kingsway (Mr. Waddell). He is here blasting the government and saying that this is a bad decision, that we are selling out the country. But it is funny that the leader of the New Democratic Party in B.C. is not saying that.

• (2100)

An hon. Member: Yes, he is.

Mr. Breau: Here is what he said in the July 18 edition of *The Citizen*:

B.C. NDP Leader Dave Barrett said Thursday the decision leaves his province threatened by Alberta's access to markets "which naturally should be ours."

He does not talk about too much gas being exported. He is worried about B.C. losing its markets.

An hon. Member: You don't know what you are talking about.

Mr. Breau: He goes on to say:

The southern section will serve U.S. areas now served by B.C. gas.

He goes on to say that in B.C. apparently this thing is an issue. It is an issue because B.C. is worried that it will lose its markets. He goes on to say:

The prospect of a drive by Alberta to sell natural gas in the market B.C. had staked out is a worry to the B.C. government, facing a shortfall of as much of $300 million in export revenues this year because of a slack U.S. appetite for Canadian gas.

So here we have the leader of the NDP in British Columbia supporting the B.C. government and worrying because this is going to be competition for B.C. gas markets.

Here we have a group of NDP members saying something totally different. I think that is sheer hypocrisy on the part of the NDP.

Some hon. Members: Hear, hear!

Mr. Breau: It is funny that the NDP, a party which normally stands for jobs, more socioeconomic benefits for Canadians, would adopt the position they have on this issue when it has been proven by the competent authority, the National Energy Board, that there is a surplus of Canadian gas. Whenever the National Energy Board speaks in matters which the NDP agree with, they laud the National Energy Board. But all of a sudden because the National Energy Board's facts do not happen to agree with the NDP's fantasies, they do not agree with the National Energy Board.

An hon. Member: It sounds like the Liberals on December 6.

Mr. Breau: Yet when it has been proven that there is a surplus of Canadian gas, the NDP say we should not export it, that we should not go ahead with this pre-build section, we should not create the jobs and industrial benefits which this construction will provide.

For the first time I hear the NDP say more unemployment now, less industrial activity now, maybe industrial benefits or prosperity 25 years from now.

The hon. member for Hamilton Mountain (Mr. Deans) made the suggestion this evening in his speech that instead of going ahead with the construction of this pipeline, we should build pipelines in Canada from west to east. We agree with that, of course. The position of the government is that there should be a gas pipeline from coast to coast. That is the position of this government. But, Mr. Speaker, when the hon. member for Hamilton Mountain compares this project that we are talking about, involving investments of over $20 billion, the Canadian section of the pre-build alone worth close to $10 billion, with a pipeline from west to east in Canada, the hon. member is really in dreamland.

An hon. Member: The whole party is in dreamland.

Mr. Breau: How can he expect the construction of the pipeline from west to east will create the industrial activity and the jobs which this pipeline will provide?

The amount of gas which will be carried in the pipeline from west to east to serve Quebec and the maritimes, is infinitely small compared to the amount of gas that we are talking about now and the amount of proven gas reserves in Alberta. Why does the NDP all of a sudden, a party which apparently believes in the labour movement, suggest that the labour leaders of this country are now speaking for the unemployed? Whatever is said, written on paper, signed by credible labour leaders in the country, some of whom are from the constituency of the member who preceded me, namely the hon. member for Hamilton Mountain who is now saying that is not important, that they do not know what the hell they are talking about—

Summer Recess

An hon. Member: They are in Disney World.

Mr. Breau: I have copies of a few telegrams here. One is from Mr. Stewart Cooke, District No. 6, Director, United Steelworkers of America in Ontario, who says:

On behalf of the 100,000 members of the United Steelworkers of America in Ontario, I wish to add my voice to that of Director Len Stevens, District No. 3, of the United Steelworkers of America, urging the government to proceed with the Foothills Alaska highway natural gas pipeline.

I have three other telegrams from labour leaders in the country.

Mr. Baker (Nepean-Carleton): Who are they?

Mr. Breau: There is one from a Mr. Norm Rousseau, representing the International Association of Machinists and Aerospace Workers, Lodge 103.

An hon. Member: Read it out, Herb.

Mr. Breau: I have another one from Mr. Len Stevens.

Mr. Rae: Read it out.

An hon. Member: Read them all out.

Mr. Breau: Do I understand that the hon. members from the New Democratic Party cannot read? Do they want me to repeat the telegram for them? The telegram from Mr. Rousseau, International Association of Machinists and Aerospace Workers reads as follows:

Our brotherhood is deeply concerned with the possible hold-up of the pre-build of the Foothills pipeline. We need the jobs here in Stratford to build the compressors and turbines.

Mr. Chénier: What do you think of that?

Mr. Breau: The NDP does not agree with that.

An hon. Member: What do you say about that, Bob?

An hon. Member: Read them all.

Mr. Breau: The telegram from Mr. Len Stevens, District 3 Director, United Steelworkers of America reads as follows:

United Steelworkers of America, District 3, representing over 30,000 Canadian steelworkers in the four western provinces and the two territories, requests your support of approval for the construction of the western Canadian section of the Alaska highway natural gas pipeline. Any further delay will only add fuel to the present recession, causing more unnecessary unemployment.

An hon. Member: Listen, Bob.

Mr. Breau: We have had telegram after telegram from the labour movement and industry coming in to the government—

An hon. Member: Read the rest.

Mr. Breau: —urging the government to approve the pre-build.

An hon. Member: You do not believe it anyway.

Mr. Breau: The NDP knows better. The NDP knows better than the labour leaders and the workers of this country. Normally when the NDP says it knows better than industry, one can excuse its members because they do not know how the economy works or how the industry works.

An hon. Member: But you do?

Mr. Breau: But when the NDP is suggesting that the labour leaders of the country do not know what they are talking about, really I think the NDP has gone overboard.

[*Translation*]

Mr. Speaker, the New Democratic Party does not understand. There was a delay in the proposed pipeline to move natural gas from Alaska to the United States through Canada. There was a delay in the original design of this project for certain reasons that are entirely outside the control of the Government of Canada and of the Canadian company responsible for construction within Canada.

And the fact is, Mr. Speaker, that if the government had not gone ahead with the approval of that section of the pipeline called the pre-build, those delays would have meant that Foothills (Yukon) would have found it impossible in the present circumstances to meet the requirements to set up the financing of the line within Canada unless the Government of Canada approved that construction. Once the Canadian energy agency said there was a surplus of natural gas in Canada, the export of that natural gas meant more money for the Alberta producers who are now in a situation where they have shut-in gas that is capped; that gas cannot be exported, so this decision allows the export of more natural gas, but it also allows Foothills Pipelines to generate revenues and pay not only for the pre-build now but the whole section of the pipeline that will be on Canadian territory. And without that decision at this moment, Mr. Speaker, we were running the risk that this project, at least as far as the Canadian section is concerned, might never take place, but the NDP were prepared to run that risk.

Mr. Speaker, the surplus of natural gas in Canada as indicated not by just anybody, not simply by Liberal members, not simply by the Minister of Energy, Mines and Resources (Mr. Lalonde), but by the National Energy Board which made an appropriate study, the competent authority in Canada on energy—that agency said we now had in Canada a surplus of about 4.5 trillion cubic feet of natural gas.

Mr. Speaker, the NDP say we are selling out Canada. What are the facts, Mr. Speaker? I checked how much surplus natural gas Canada has and here are the figures obtained from the National Energy Board. The export commitment for the pre-build, which was authorized last week and which the Minister of Energy, Mines and Resources announced in the House last week, will mean 2.3 trillion cubic feet of natural gas between 1980 and 1987. At the present time, up to 1980, the total gas export commitments allowed in Canada amount

to 14.5 trillion cubic feet. You will note that we are only talking here about 2.3 trillion, but the total up to 1980 amounts to 14.5 trillion cubic feet.

Canadian needs during the next decade will amount to 21 trillion cubic feet. In other words, total requirements between 1980 and 1990, that is for export and for Canadian needs, will be 35.5. trillion cubic feet. At the present time, western gas reserves amount to 71.8 trillion cubic feet. NDP members are confused by the facts, and because this time the facts are the opposite of what they would like, they are trying to hide them. They speak one after the other and make ideological and philosophical speeches without stating the facts. When they say that there will be a shortage of natural gas in Canada, where do they get their facts?

It is certainly not from the NDP leader in British Columbia, because he is not worried about this decision. What concerns him is that Alberta will now be competing with British Columbia. He did not say that there would be a shortage of natural gas. I have said that the total requirement for Canadian needs and exports during the next decade will amount to 35.5 trillion cubic feet. Canadian supplies amount to 71.8 trillion cubic feet, which means that we shall have a surplus in the next decade of 36.3 trillion cubic feet. This means that, in spite of the exports that we have authorized, we shall have a surplus, and this is in addition to new potential reserves of 46 trillion cubic feet. Moreover, these new potential reserves do not include the substantial reserves which can be developed in what is called the deep basin area of Alberta. There are still enormous reserves in that area which are not even included in our potential reserves.

Moreover, to ensure that we shall have adequate reserves to meet Canadian needs in the future, it should be noted that present production for domestic and export markets amounts to 2.7 trillion cubic feet. Natural gas is now being discovered in the west at a rate of over 4.5 trillion cubic feet. Where, then, are the facts used by the NDP, Mr. Speaker? I would like to hear facts—

• (2110)

[*English*]

I heard the hon. member for Hamilton Mountain (Mr. Deans) bombast the government about how we are selling out the resources of this country. Why does he not come up with the facts to show that the National Energy Board has found that we will be short of natural gas in the future? He does not give them, not at all.

Mr. Murphy: Where is the oil?

Mr. Breau: I thought the hon. member would know enough about the difference between oil and gas to know that you cannot put oil in a gas pipeline, and we are talking about the gas pipeline. I do not foresee that we will be exporting oil through this gas pipeline.

An hon. Member: Just give us the facts.

Mr. Breau: I just quoted some figures on the absolute number. What about the test which the National Energy Board has? I again mention that the National Energy Board is the competent authority in Canada.

Some hon. Members: Oh, oh!

Mr. Breau: The hon. member for Vancouver-Kingsway, (Mr. Waddell) who is just arriving in the chamber, will know that a few years back when the National Energy Board began saying there was a possibility of an oil shortage in the future and the government should restrict exports of oil, the then energy critic, the former member for Nanaimo-Cowichan-The Islands, Mr. Douglas, said that whatever the National Energy Board stated was competent and factual and when the NEB spoke on this matter, the government had better listen. All of a sudden the National Energy Board does not count, the NDP knows better than the NEB.

Mr. Waddell: Will the hon. member permit a question?

Mr. Breau: Yes, Mr. Speaker.

Mr. Waddell: Is the hon. member aware that the National Energy Board gave its gas price forecast of our surpluses in December, 1979, and the minister came along in May with his policy on off oil—from oil to gas—which will increase our demand substantially? Is the hon. member aware of that? Will he agree that that throws out the forecast of the board?

Mr. Breau: Mr. Speaker, the hon. member does not have a case. He is bringing in a red herring that does not have anything to do with what I am saying. I am talking about surpluses of gas. I am not talking about oil. If the hon. member has any facts—

Mr. Rae: Do you have any facts?

Mr. Breau: I hear the hon. member for Broadview-Greenwood interjecting. He will speak in this debate. He can give us the facts.

An hon. Member: He will be speaking a week from next Monday.

Mr. Breau: If the hon. member says we are going to be out of gas, he can tell us how much gas we have. When the National Energy Board approves an application for the export of gas, they use three tests to determine whether Canadian requirements can be met by current reserves and if the export should be approved.

• (2120)

I gave the absolute figures a while ago regarding what the reserves are, what the potential reserves are and what the domestic requirements would be in the next decade. The first test is the current deliverability test. It is based on the level of deliveries possible each year from established reserves. For there to be a surplus, the deliverability from these reserves has to be able to meet annual Canadian requirements plus current-

ly authorized exports for a minimum period. This period is five years.

The second test is the current reserves test. This test compares the inventory of established reserves with 25 times the first year's Canadian demand, plus currently authorized exports. That is the second test before exports are approved.

The third test is the future deliverability test. It is based on the level of deliveries possible each year from established reserves and from estimated future additions to these reserves. Deliverability from these reserves has to be able to meet forecast annual Canadian requirements plus currently authorized exports for some ten years into the future. The most stringent of the three tests governs the amount of gas declared surplus.

Those are the facts. That is how the National Energy Board arrives at decisions.

Mr. Waddell: Who provides the figures?

Mr. Breau: If the NDP wants to provide facts to the National Energy Board, all its members have to do is to go to the NEB and produce the facts. If the NDP has facts to show that this is not correct and that the numbers the NEB has found to be surplus are incorrect, why do its members just stand up in the House and make dogmatic speeches? Why do they not take their facts to the NEB and tell the NEB, as Canadian citizens, that the NEB does not know what the facts of the situation are? They do not do that. My friend does not have the facts.

An hon. Member: You have nothing.

Mr. Waddell: You guys are stupid.

Mr. Breau: Canadians will always have priority with regard to access to their own gas. That is because, under section 83 of the National Energy Board Act, gas cannot be declared surplus until Canadian needs are met. In addition, new exports will stimulate drilling activity, and more gas will be found.

The hon. member for Hamilton Mountain has said that this decision could endanger the construction of a gas pipeline from west to east because there might not be enough gas. In its decision in December, the National Energy Board set aside ample reserves to protect Quebec and the maritimes before declaring gas to be surplus for the purpose of this pre-build.

Mr. Waddell: What about oil?

Mr. Breau: The hon. member comes back to oil. He loses the debate on gas, so he comes back to oil. If he wants to raise a question about oil, he can do that, and I will answer him, but today I am talking about gas.

I have all sorts of information I could put into the record to prove that the NDP just does not have the facts, but let us look at the decision and the benefits this decision will bring to Canada. The total and indirect employment generated by the entire $8.4 billion pipeline project in Canada is estimated at 350,000 man-years.

Mr. Waddell: Baloney.

Mr. Breau: The hon. member says "baloney". He wants workers to eat just bologna because he does not want the pre-build.

There will be capital expenditures of $1.6 billion for pre-building the western and eastern legs, and gas production, conditioning and gathering systems at a cost of $935 million are estimated by the company to create 150,000 man-years of employment directly and indirectly. The hon. member for Hamilton Mountain worries about the future. He does not worry about the workers of STELCO in the city of Hamilton. This is going to create 12,000 man-years of employment.

Mr. Waddell: Not in Hamilton.

Mr. Breau: I am a member of Parliament from a high unemployment area in the country. I do not understand how a member from prosperous Hamilton could reject 12,000 man-years of employment. It baffles me.

The export sales revenue from this project will be $17 billion. The change in the gross national product of Canada in 1980 will be .2 per cent. By 1987 it will be .5 per cent. The change in the unemployment rate will be .4 per cent, and the NDP says no. They want more unemployment now to protect tomorrow's prosperity, so they say. The approximate average per year balance of payments will be improved by $2 billion.

Potential Canadian content, something the NDP was very worried about when we had the debate on the bill in 1978, is 90 per cent, and they say they want to help Canadian industry. They do not want to help Canadian industry. All they want to do is to bring forward their doctrine and their dogma. They think they have an issue here with which they can fool the Canadian people, but the Canadian people will not be fooled by the bombastic NDP. There will be Canadian manufacturing benefits of $750 million. There will be Canadian manufacturing expenditures of $400 million. There will be plant expansion of $365 million. There will be research and development amounting to $35 million.

I do not mind staying here a little longer and discussing this because the NDP will be laughed at by the country. I do not mind staying here. I do not mind coming back this week or next week, because if that is all the NDP is going to bring forward as its position, its members will be laughed at. The NDP could tell it all to us now, but its members do not have much to tell. They can be bombastic about everything this evening and keep us here all this week. That does not mean very much, so under Standing Order 6(5)(a) I move, seconded by the hon. member for Gaspé (Mr. Cyr):

That the House continue to sit this day beyond the ordinary time of daily adjournment in order to complete its consideration of the motion of the President of the Privy Council now under consideration, including any amendment or amendments proposed thereto.

The Acting Speaker (Mr. Blaker): All those opposed to the motion will please rise.

And more than ten members having risen:

The Acting Speaker (Mr. Blaker): More than ten hon. members having risen to oppose the motion, the motion is now deemed to have been withdrawn.

Motion withdrawn.

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I would like to have the opportunity of getting into the debate on the pipeline question, and if I have time tonight, I intend to do so, but I would also like to speak, because we are basically on the adjournment question, about another matter first.

Certainly during this session charges and countercharges have been hurled back and forth in this House, and in the press, especially between two successors of mine, the attorney general and solicitor general of Ontario and the Solicitor General of Canada (Mr. Kaplan), respecting the evidence and testimony taken before the McDonald royal commission relating to the Royal Canadian Mounted Police activity known as Operation Checkmate of the early 1970s.

It is not my intention to deal in any way with the actual evidence which came before the commission relating to Checkmate in either its public or its private sessions, except to say that obviously if the various alleged acts of the police had been committed by anyone other than police officers in the line of duty and the evidence had been brought to the attention of the proper law officers of the Crown, charges would certainly have been laid by now.

● (2130)

As solicitor general of Canada in the Clark administration, my interest was whetted by some newspaper reports of what the royal commission had heard. Therefore, on taking office I asked for a series of briefings on what evidence had been heard and what was still to be heard. Due to time strictures, those briefings were not completed by the time I left office, but I did have a partial report on Checkmate. To put it mildly, I was more than surprised and angered. That partial report was presented to me in late October just before the then minister of justice, Senator Jacques Flynn, and I jointly convened a federal-provincial meeting of ministers of justice, ministers of correctional institutions, attorneys general and solicitors general of all the provinces. Indeed it was the first time that all provincial and federal law officers of the Crown had been together in a single federal-provincial conference.

I must say that I was deeply concerned then, as I am still deeply concerned, that my provincial colleagues did not know the full story nor have the full facts on those operations.

Why, one might ask, is it any business of any provincial minister what a federal police force does or what happens before a federal royal commission? It is simply this: in my view a provincial attorney general under our constitution is the chief law officer of the Crown charged with the administration of justice for that province and is almost exclusively responsible for bringing to justice anyone, anyone who commits a criminal act in that province. This is very clearly a provincial responsibility. I am also old-fashioned enough to believe that it is the duty of any citizen, no matter what his rank and position, whether he is a royal commissioner, a judge sitting in any capacity, a prime minister, a minister of justice or any other officer of the court or of the Crown, and certainly any solicitor general or any policeman or peace officer, to lay before the proper officials any evidence they may have about anything which could in any way be illegal and certainly any facts or circumstances which could involve criminal activity. Those facts should be given as soon as possible to the person or his agent who is charged with enforcing the Criminal Code in the courts. In this country, that person is the provincial attorney general. In my mind the facts in operation Checkmate indicated to me that at least four provincial attorneys general should have been informed long before I came on to the scene of the evidence that either had been or was about to be presented to that royal commission.

Members should appreciate as well that in most instances a curious solicitor general can find out in advance what is going to be presented to that particular royal commission, because the source for almost all the information that goes to the McDonald royal commission is either RCMP files or testimony from RCMP personnel or ex-personnel. If the facts known to the RCMP were transmitted to my provincial colleagues, as I think they should have been, it then would have been their job and it would be within their discretion to decide what to do with them. That is their responsibility. It is not left to the discretion of the federal Solicitor General, it is not left to the discretion of the federal Minister of Justice (Mr. Chrétien), it is not left to the discretion of the royal commission, but it is at the discretion and the responsibility of provincial attorneys general to decide to prosecute or not to do so.

Ideally that information, with sworn statements naming names, dates and location, all available to the federal solicitor general, should have been collected, collated, and because of the belief that criminal acts had been committed, should have been sent to the provincial attorneys general. The reasons why I was unable to transmit that information to my provincial colleagues in October were fourfold. First, not all of the facts known to the RCMP had been presented to the royal commission. Second, because the commission itself had not completed taking testimony on Checkmate, as I indicated, further acts, or indeed extenuating circumstances, might still be presented to the commission, and therefore, either or both the royal commission or the provincial attorneys general might end up with information denied the other. Third, we were about to convene a federal-provincial conference when the matter could be discussed. Finally, the complete transcripts of the royal commission relating to Checkmate were not available, obviously, because the testimony was not completed. It was the transcripts, not the solicitor general's versions of the facts, that the provincial attorneys general wanted.

At the federal-provincial meeting at the end of October, to the surprise of some federal officials, but on behalf of the federal government, I gave to the provincial attorneys general what I thought was an ironclad commitment, to use a hackneyed phrase around here, that as soon as the Checkmate testimony before the royal commission was completed and the transcripts made available, the uncensored, unedited testimony, along with any other evidence, knowledge or facts pertaining to those occurrences in the RCMP files or within the knowledge of the solicitor general, would be turned over to the provincial attorneys general, in advance of any public disclosure of the testimony, so that my provincial colleagues could perform their constitutional responsibilities before the courts and under the criminal law, and also from a practical point of view and for the sake of courtesy, so that they could have a reasoned response once the fat hit the fan. The attorneys general were appreciative. I think they left that conference last October secure, having received the commitment I had given them on behalf of the federal government.

Some time around the end of the year I was informed that all the testimony and evidence relating to Checkmate was in and that the royal commission had moved on to other matters. As far as I am aware, the Checkmate occurrences were the only, if not the main, allegations of potential illegalities by the RCMP outlined to the royal commission in the period between June 4 and December 12 when the Clark government fell, and therefore comprised the only testimony and allegations that I felt I could transmit at that time to the provincial officers of the Crown.

As we all know, on December 13, the government was plunged into a general election. The full transcripts were not received by me before then, or indeed since then. During the election campaign, I believe some time early in January, I was surprised to learn from my departmental official that within a few days, but certainly before the end of January, edited and censored versions of the McDonald transcripts were to be released to the public by the commission, edited and censored, I may add, not by the government, not by the Solicitor General, but by the McDonald commission itself.

I was truly incensed. My officials knew, but perhaps did not approve, of my commitment; the royal commission knew of my commitment, although they might not have agreed with it; and certainly the provinces knew of my commitment, and that I intended to live up to that commitment. The relationship between a minister of the Crown and a royal commission is hazy, to say the least. I had no means of enforcing any order, desire or command I might want to issue to the commission, and in any event unlike prior solicitors general I had attempted to establish a pretty good relationship with that particular commission. But I certainly did not want those transcripts released until the provinces received them first. If anyone was going to vet anything from a security point of view, that was my job as a minister primarily responsible for national security and not theirs. I strongly believed that as with the commission's first report I would probably have been willing to release the whole testimony, unedited and uncut, to the attorneys general and to trust their judgment which, quite frankly, I am sure is as good as my own and certainly as good as that of any royal commission, confident that matters affecting national security, civil rights or individual privacy would be respected by them—and by "them" I mean the provincial attorneys general.

• (2140)

At my insistence, and I had to insist, the edited versions were therefore not released in January. The whole matter was put off until after the February election at which time, once re-elected and reappointed as solicitor general, I had determined to make sure that the provincial attorneys general had all of the information, not just the information the royal commission thought they should have or just the information that a federal solicitor general thought they should have. Well, as you know, Mr. Speaker, we did not win and I was not the solicitor general any longer. I noted with interest that within hours of the change of government severely edited and censored versions of those transcripts were released to the public by the commission and to this day, in defiance of the commitment given by me in good faith on behalf of the federal government, the provincial attorneys general as the proper officers of the Crown have not yet received the full facts or the full, unedited, uncut, uncensored transcripts or any of the facts or evidence contained in the RCMP files on this matter. I can only term this a very real dereliction of duty on the part of the present Solicitor General of Canada and I consider it a very real abuse of the system of Canadian justice and a continuing blow to the reputation, spirit and morale of the members of the RCMP who would, I am sure, whether they are implicated or not, want to get the whole thing over with.

Now, Mr. Speaker, I want to say a few brief words on the pipeline question. Our policy in the Conservative party has been consistent throughout. Unlike the Liberals, unlike the NDP, our position throughout on this matter, going right back to the time of the original concept of the northern pipeline to take Alaskan or northern gas down through to the states or the southern part of Canada, has been consistent. Sir, we want the full, whole, complete northern pipeline.

Some hon. Members: Hear, hear!

Mr. Lawrence: There is no question about that. It will provide jobs, it will provide investment capital. It will put a spark to the Canadian economy that it badly needs today. It is a facility which can help enormously to develop Canada's northern potential and help solve some of North America's energy problems.

The question before the House comes down to this: What can we do to encourage the building of the pipeline? There are those who state that by going ahead and building the lower portion only, we are removing the incentive to build the line as a whole. This is obviously the view of the New Democratic Party and they are entitled to that view. They may be wrong, but they are entitled to hold that opinion. The government's view is that at a time of economic recession, construction of

the pipeline will provide the revenue, the experience, the technology and the expertise needed to move ahead with the whole line at a later date.

Speaking only for myself, I must confess that I am not happy with either position. I just wish there was a more recognizable thrust or anxiety on the part of the Liberals to make sure that the whole line is built. I hope we are not being "conned". I think, quite frankly, that the arm of the United States could have been twisted harder, that public and private pressures could have been exerted to obtain those "ironclad" guarantees the minister used to huff and puff about. But the Liberals have not done this. We have no guarantees and, frankly, this worries me. The government, with all the information it now possesses, obviously feels we should go ahead with the pre-build now and with construction of the whole line afterwards. So be it. I am willing to give them the benefit of the doubt. If that is their policy, we agree to go along with them after earnest consideration. Indeed, I think the mass of the Canadian people is willing to go along with the government's policy now. In deciding upon this procedure, the government is in possession of information which is, perhaps, not available to us. Very well. But the die is cast. The ball is in the government's court. The pre-build will go ahead in accordance with the government's decision. But I say this by way of warning to members opposite: If, by any chance, the rest of it, the whole of the northern portion, is not started by the end of 1983, then, to put it mildly, all hell is going to break loose. We will go along with the pre-build scheme only because it is apparent the government has decided that this is the best way to get the whole of the line built. But if this does not happen, if they are pulling the wool over the eyes of the Canadian public, if somehow or other they have been bought, if this is a con job, then by golly, if that line is not started by the end of 1983, I say to them: Look out, the assurances of this government will be one of the greatest traitorous "con jobs" ever perpetrated on a trusting Canadian people.

We are going along with the government only because we feel this will be a help, not a hindrance, to the building of the whole line.

Some hon. Members: Hear, hear!

Mr. Jim Schroder (Guelph): Mr. Speaker, I appreciate the opportunity to speak in this debate. I agree with the hon. Leader of the New Democratic Party (Mr. Broadbent), when he stated that this is the single most important issue to come up at this session of Parliament, but that is where our agreement ends. He sees only the negative side, while I interpret the decision as positive.

In my short time in the House I have formed certain impressions. The role the NDP sees for itself is one of negative criticism. I know that our democratic system is based on criticism from the opposition. But opposition should be objectively critical and have positive alternatives to suggest. My impression is that the members opposite rarely have a positive suggestion to offer. Perhaps this is conditioned by the fact that they know they are never going to be in a position to govern and therefore need make no positive suggestions.

I submit that a good example of negative thinking was held up last week when the member for Vancouver-Kingsway (Mr. Waddell) stated that on this issue he was never so proud "as not to be a Liberal". Why wouldn't he say rather, that he was proud to be a member of the New Democratic Party? I think the answer is obvious. He cannot be proud to be a member of such a negative party.

Mr. Harquail: Mr. Speaker, since the members of the New Domocratic Party have been the obstructionists in the House and since they brought in the motion, will they at least follow one word in the title of their party, which is "democratic" and at least be democratic enough to let the hon. member be heard.

• (2150)

Mr. Deans: You were the heckler when I spoke.

Mr. Harquail: Perhaps, Mr. Speaker, we could invite you to demand order. The hon. member is a new member in the House and perhaps the NDP should show sufficient common courtesy through their leader to at least allow the hon. member to be heard. Since they do want to hold up Parliament and hold up the country, and since they do want to create unemployment in this country and since they do want to be absolutely opposed to what they are supposed to stand for, I think they should at least be democratic enough to let the hon. member be heard.

Mr. Waddell: Listen to who is talking about being democratic.

Mr. Schroder: Mr. Speaker, I am proud to be a Liberal. I am proud to be a member of a party which has men of the calibre of the Prime Minister (Mr. Trudeau) and the hon. member for Outremont (Mr. Lalonde) who are showing great leadership in this Alaska gas pipeline solution. I am proud to be a member of a party which recognizes the importance of jobs which will be created by the immediate construction of the pre-build pipeline.

I am pleased that the community of Hamilton and other neighbouring cities to my constituency will be the major beneficiaries. As a result of the help which this project will be to the steel industry, I know that the effect will ripple into my own constituency. Also, on the positive side, there will be new jobs created. This is vastly in contrast to the negative attitude of the NDP, who would rather preserve their right to think they are right than to support a project which would create jobs which we need right now.

I am proud because we are giving encouragement to those people in western Canada who have faith in our economy and our country. As private entrepreneurs, they have found gas in abundance and can now market that gas and begin to get a return on their investment, thus creating the possibility for them to stay in Canada as viable Canadian companies and to have the capital resources to further their successes by finding more oil and gas. This will ultimately help to ensure our energy independence.

While being sensibly responsive to the need of assurance about the intention of the United States to keep their part of the bargain, we recognize the natural market for our gas. We are aware of the need our neighbour has for this gas and we are willing to share what we have in abundance. Energy disruptions in the U.S.A. are at the heart of American economic problems. It is clearly in our best interest to assist our best ally when it has a need.

I am sure hon. members have heard the quotation "When the United States catches a cold, we in Canada catch pneumonia". Political realism makes it necessary for all countries to be careful and vigilant with respect to agreements and promises. I believe that while we may sometimes lose faith in politicians and governments, we must never lose faith in people. For that reason our very survival dictates that we learn to share what we have. Where better to start than with our friends and neighbours? Sharing, once begun, can lead the way to a mutual sharing on this continent which can serve as a model to other parts of the world, places that do not have the basis of understanding which is natural to our two great nations.

I am positive about this pipeline. I base my evidence not on the past and not on past decisions, but on the evidence which I see now. There is such evidence as even according to the NEB, the volume of Canadian gas that is surplus to our needs and available for export has grown from some 800 billion cubic feet to around 4.5 trillion cubic feet. I am impressed by the fact that the United States has said that it has an absolutely vital national interest in securing access to its gas in Prudhoe Bay in Alaska because it represents more than 10 per cent of its total reserves. Tapping these reserves is essential to the United States for security of reliable supply. I am impressed because, according to Foothills' calculations, pre-building would lead to direct capital expenditures in Canada of some $1.6 billion—$665 million on the pipeline itself and a further $935 million on associated gas production, conditioning and gathering facilities. Together these outlays would provided an estimated 150,000 man years of employment between 1980 and 1984. These are jobs. I am impressed by the fact that, given the nature of the U.S. assurances, the government has decided that there is minimal risk of non-completion or long delay in the construction of the entire Alaska gas pipeline.

On the other hand, there are substantial benefits which pre-building will provide. Facility and completion of the entire project will bring immediate returns to Canada in terms of jobs, output of producer revenues and balance of payment influences. I do not believe that there can be any doubt that our natural interest lies in proceeding with this important undertaking at the earliest possible date. My mind is made up and convinced by the facts. Do not try to confuse me with fiction.

In contrast, the hon. member for Hamilton Mountain (Mr. Deans) in no way answered the question with facts, but instead tried to throw up a smoke screen to cover the fact that this party's position will not lose jobs for his riding. He talks about somebody being phony. Since he brought out the facts, he just confirmed that what he wants to do to the workers in his constituency is what Masters and Johnson is all about.

New jobs are important, the development of industry is important, and the encouragement of Canadian-owned resource development is important. I am convinced that the pipeline should be built now by Canadians for Canadians because in the end it will be Canadians who benefit most from this imaginative project.

Mr. Speyer: Mr. Speaker, may I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, I rise on a point of order respecting the business for tomorrow and any other days there might be. I put it as a question to the government House leader. Madam Speaker found our amendment which was moved today to be out of order. But the Prime Minister (Mr. Trudeau) indicated the other day, and the government House leader indicated today, that the government would like to have a debate on the proposition contained in our amendment, so that there could be a vote.

• (2200)

Will the government House leader discuss with the Prime Minister the possibility of the government presenting a motion to this House tomorrow or the next day—but preferably tomorrow. I am suggesting a motion which might incorporate the two principles that were in our amendment of today, a financial guarantee for the whole line and the guarantee of a swap or, even better, a bill to amend the Northern Pipeline Act.

[*Translation*]

Mr. Pinard: Mr. Speaker, I am ready to allow the New Democratic Party, with consent, to introduce tomorrow the motion of their choice on the pre-build section of the Alaska pipeline, with such a motion to be voted upon, provided indeed the debate is limited. If such is the wish as I understand it of the Leader of the New Democratic Party, we are willing as far as we are concerned, to let that party introduce the motion of their choice in respect of the Alaska pipeline, and have that motion debated tomorrow, with division tomorrow at 9.45 p.m., as requested by the Leader of the New Democratic Party. Provided of course the division is automatically followed by a division on the adjournment motion.

I believe this meets the wishes of the New Democratic Party but requires unanimous consent. I am ready to give consent this evening. If this is more or less to the liking of the New Democratic Party, tomorrow at 9 a.m. I am ready to meet the House leaders in my office to finalize the formula. There would be a debate on the subject chosen by the New Demo-

cratic Party, but a limited debate nonetheless. There is no question of spending the whole summer in this House to please 30 members out of 282. If this is what the New Democratic Party really wants, the opportunity to vote on the pre-build section of the Alaska pipeline, they will have their debate tomorrow, they will have their vote tomorrow, and then we will adjourn tomorrow night. Mr. Speaker, this is what we would be agreeable to.

[*English*]

Mr. Knowles: Mr. Speaker, we are certainly prepared to discuss the matter at a meeting of House leaders but I suggest that to propose to a free Parliament that a matter such as this should perforce be dealt with in one day is going a bit too far. We are prepared to discuss the matter tomorrow morning and we will then see what can be done to get a vote on an actual proposition or preferably to put before the House a bill to amend the Northern Pipeline Act.

The Acting Speaker (Mr. Blaker): Order, please. I should like to say to the hon. member for Cambridge (Mr. Speyer) who rose to speak in the debate, that he will be recognized on the resumption of the debate on the adjournment motion tomorrow, whenever it occurs during the day.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—EXPORT OF NATURAL GAS TO UNITED STATES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the question I want to raise this evening is relevant to some of the matters that have been discussed today. Indeed, it is rather coincidental.

On April 17, the second day of this sitting, I directed a question to the Minister of Energy, Mines and Resources (Mr. Lalonde) asking whether he maintained the position he took on December 6 last in opposition to the export of natural gas to the United States. I also inquired, in the course of my questioning, about the minister's policy with respect to natural gas and whether he had made a statement that one of his priorities would be to introduce an export tax on natural gas. I also asked him whether, if that was a statement of government policy, it continued to be so.

In response, the minister gave a rather unsatisfactory and vague statement to the effect that the government was looking into the matter. Subsequent to that date, we have had a statement by the minister with respect to the Alaska natural gas pipeline, but we still have not heard from him, by way of a

policy statement on the question of an export tax on natural gas.

I think it would be useful to look back at what was said on December 6 and put on the record again exactly what the minister said at that time when he was the Liberal party critic on energy matters.

● (2205)

I quote from page 2101 of *Hansard* for December 6. At that time the minister said:

> In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing plan and the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

We have had the statement with respect to the assurances of the completion of the total project. But the second interesting ironclad requirement which the minister indicated at that time was as follows:

> Second, there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline which we might need in exchange for the gas we are now providing to the Americans. That would be the second point.

The minister continued by saying:

> The third point is with regard to revenues arising out of gas exports to the United States. They should be used to ensure the initiation and completion of the Quebec and maritime gas pipeline so that eastern Canada would be fully served in terms of gas service and so that people in the maritimes and eastern Quebec would be assured of getting natural gas at a reasonable price.

There you have, Mr. Speaker, what I consider to be some fairly firm and unequivocal statements made by the present Minister of Energy, Mines and Resources. I would be interested in finding out on three very important points precisely whether or not he still holds that position. We have heard nothing with respect to the whole question of swaps. That was a fundamental question. We have heard nothing at all with respect to the completion of the natural gas pipeline to the maritimes which was to be financed out of the moneys to be made on the Alaska natural gas pipeline.

The third point is that we had a statement in response to my question by the minister on April 17, with respect to an export tax on natural gas. It can be found in *Hansard* at page 96, and it reads as follows:

> Madam Speaker, I do not recall ever having made such a statement.

He goes on to say:

> If the hon. member has such a quote, I would like to see it.

The important words are these:

> But this is not part of government policy.

We have had innumerable reports that the minister is seriously considering an export tax on natural gas. He says now that he is considering not only natural gas but an export tax on other resources which are exported out of the country, including electricity. He has been somewhat quieter lately with respect to this proposition because he is receiving a lot of opposition on the latter proposition from the provinces of Quebec and Ontario.

If the parliamentary secretary is going to answer for the minister tonight, I would like to know whether or not these items are still fundamental with respect to the Alaska natural gas pipeline, whether we can take the minister at his word—his word has been considered very leniently up to this point but we expect him to be consistent—that an export tax on natural gas is not part of government policy. I would like a clear and unequivocal statement. I would like to have that reaffirmed by the parliamentary secretary tonight.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I am pleased to respond on behalf of the Minister of Energy, Mines and Resources (Mr. Lalonde) to the question which the hon. member for Saskatoon West (Mr. Hnatyshyn) raised on April 17. I would point out to him that it is that particular question to which I propose to respond, not the new twist which he put to it tonight relating to taxation on gas exports.

I propose responding to him on the matter of substance which he raised on that particular date because we assume full well, knowing the gentleman as we do, that that was his concern, and we shall attempt to address ourselves to that tonight.

When the Minister of Energy, Mines and Resources responded to the question raised by the hon. member for Saskatoon West last April concerning the undertaking that would be required before gas exports could be approved, the minister stated that the government at that time had decided to postpone any action concerning approval of gas exports until a clearer indication was obtained from the United States government than the previous government, led by the right hon. member for Yellowhead (Mr. Clark), had been able to obtain with regard to the United States commitment to the Alaska pipeline project.

We have now obtained the necessary assurances, subject only to confirmation from the sponsoring pipeline group, that financing can be completed for the pre-build section and for the rest of the pipeline within Canadian territory.

● (2210)

As the minister stated in the House of Commons on July 17, the assurances received from the United States have been expressed in several ways. First, there were the decisions by the federal energy regulatory commission, a U.S. government agency, certifying the pre-building of the western and eastern legs of the northern pipeline system within the U.S. for the initial purpose of transporting surplus Alberta gas and for the transportation of Alaska reserves when the system is completed from Prudhoe Bay.

Second, on June 19 there was an agreement between the major gas producers in Alaska and the northwest Alaskan Pipeline on the sharing of $500 million worth of expenditures to complete the final design and engineering work that will be necessary preparatory to constructing the pipeline and the various related facilities in Alaska. This was a clear intention of the sponsoring companies to proceed with the project.

Third, on June 19 the oil companies holding the reserves in Prudhoe Bay and the pipeline company also signed a statement of intention in which they undertook to work together to facilitate the financing of the pipeline and related facilities in Alaska with the objective of building the entire system by 1985.

Of course, there have been other assurances since then, including a resolution by the United States Congress and the letter from President Carter to which reference has been made in this House in the last few days.

Based on these formal assurances, and an assessment of the importance of the project to the Canadian economy, the Canadian government has taken the decision to proceed with the project. The widespread support of the government's decision to approve this major pipeline project, and the related gas exports, has been evident in the past few days through many messages of support from a broad spectrum throughout the Canadian economy.

And, finally, may I say to the hon. member, yes, you can take the minister at his word.

AIR TRANSPORT—SCHEDULED JET AIR SERVICE TO BRANDON, MAN.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I rise this evening on behalf of many of the residents of southwestern Manitoba and southeastern Saskatchewan who have been without air service connecting them with points east and west in Canada. Brandon services a large number of people. The city is made up of about 40,000 people. It services some 130,000 people in southwestern and western Manitoba. It has been without regular scheduled air service to points east and west for a considerable period of time.

Prior to 1969, Brandon was linked to Winnipeg and Regina by turbojet. This service was transferred to TransAir which in turn terminated flights from Brandon in 1972. Since then, the residents of Brandon and area have been effectively stranded when it comes to travelling to either Calgary or Toronto.

When a resident of the Brandon area wishes to travel either east or west, he must somehow get to Winnipeg. If he is going west, he must overfly Brandon in order to get to either Regina or Calgary. Going east, someone living in Brandon has to travel approximately 130 miles to Winnipeg, worry about parking, and board an aircraft travelling to eastern Canada.

Brandon is a very progressive area. A year ago it hosted the Canada Winter Games, and did an outstanding job. In 1982, Brandon will be hosting the Labatt's Brier, an event of national significance. A city which will be hosting that kind of event obviously must have the services available to do a proper job. The city of Brandon has approximately 1,000 hotel units. It is capable of attracting conventions. It is, from my own experience, home of one of the nicest livestock sale pavilions, and

when it comes to cattle, it has some of the best breeding stock in Canada.

● (2215)

It seems to me that air service into Brandon would provide an impetus to that area and link it not only with points in Canada but also points in the United States on which we depend for buyers.

Brandon is also an agricultural and a very large commercial centre. It is the centre of a large grain-growing area. The retail sales in the Brandon area in 1979 were some 30 per cent above the national average. To my mind this is all a way of saying that Brandon is a growing and energetic city which needs—in fact, deserves—the added impetus of regularly scheduled direct flights to other Canadian trade centres.

I raised this question with the minister in the House back on May 29 when I had an opportunity to ask him about this. I will eliminate some of the preamble and read into the record what I asked him back on May 29, as follows:

Would the minister tell the House and the people of that area what the government's position is in terms of this service, which is very much in need in that important area of Manitoba?

Among other things the minister said the following:

However, I am trying to help matters move faster.

That was nearly two months ago. We have not seen action on this since that time. In a supplementary question to the minister I tried to point out to him that this was an urgent matter, and he responded by saying, and I quote:

I would prefer the CTC to make an objective appraisal of the situation, knowing full well that I and the government as a whole can change that decision if judged necessary.

The implication I drew from that was that once the CTC had held hearings and if it was not satisfactory to the people of Brandon and area, the government would be willing to take another look at it. Since then, as I said, nothing has happened.

What did happen when we were the government was that back on November 21 the then minister of transport, the hon. member for Vegreville (Mr. Mazankowski), while on a trip to Brandon on which I had the pleasure to accompany him and when he was speaking to the annual convention of the Union of Manitoba Municipalities, said that he had cleared the way for regional air carriers to apply for this route. I will read part of the press release which accompanied his speech, as follows:

Without this announcement, Mr. Mazankowski said, there could otherwise have been concern that a licence application for such a service might be rejected by the Canadian Transport Commission as being incompatible with a provision in the regional air carrier policy that regional carriers should not expand as potential transcontinental operators.

By making this announcement the then minister made it possible for regional air carriers to apply for that route without violating the transportation policy of the government. It seems to me that the position of the government should be to set policy, and it should then be the position of the CTC to enforce it or see that that kind of policy is carried out. What I find unfortunate today, despite the fact that there have been 350 petitions from the area in support of that kind of service, is that this government has seen fit not to push the CTC to set a date for hearings. What we did have a week ago was a situation in which Frontier Airlines, a foreign air carrier based in Nevada, made an application for a route to fly into Saskatchewan to pick up passengers at Saskatoon and Regina and then to carry on to Minot and Denver. This application was made and this route was granted without a hearing. What I find disturbing is that in the case of our own country, the government has not even pushed the CTC enough to set hearings. The application before the CTC for this route is made by Pacific Western Airlines. It is a Canadian company which is willing to provide this service on a daily basis without a subsidy.

The air terminal at Brandon is a controlled terminal. There is a new building there. The runways are of sufficient length that the service could be commenced without any additional moneys being spent. There is a small problem. On hot days during the summer, the 737s which PWA proposes to use may not be able to take off at full load and have enough fuel to get to Toronto going east. However, in its submission to the CTC, TWA said this, concerning that rather minor problem:

Operationally, the length of this runway will occasionally impose payload restrictions on a Boeing 737 operation between Brandon and Toronto. However, on such infrequent occasions, the applicant is prepared to make an en route technical stop at Winnipeg on eastbound services between Brandon and Toronto.

We have a situation in which an area of Canada is very much in need of, and deserves, this kind of service but is without it. A Canadian air carrier has applied for this service, and we have a government which is not prepared to go ahead and see that a hearing is set so that a Canadian company can provide services for a very important area of the country. I urge the government to go ahead and set a date for the hearings as quickly as possible so that we can have this kind of service which is much needed and overdue in western Manitoba.

● (2220)

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am very much aware of the eagerness of Brandon and of the communities surrounding Brandon to obtain jet service to the east and west. I also know that many people in the area have been trying to achieve this objective for some time. I can therefore appreciate their impatience, now that PWA has formally applied to the CTC for a licence to provide the jet services desired.

I understand that the application was filed with the CTC on January 21 of this year. The fact that the application is still under consideration by the commission makes it inappropriate for me to comment on the case lest my comments be interpreted as prejudicial to an unbiased consideration of the matter by the CTC. All that I can say at the moment is that the CTC is required by law to follow certain procedures in considering applications for new air services. For example, the application must be advertised in the newspapers of the area to allow anyone interested to intervene in support of or against the application. These parties must then be given adequate time, as specified in the CTC regulations, to file their interventions,

to which the applicant is then given the opportunity to reply. In the case of the PWA application to serve Brandon and Toronto, this process was not completed until late March. The CTC then had to examine all the submissions made, which included complicated arguments about the economic viability of the proposed service. As a result of this examination, the CTC determined and announced in early July that it will hold a hearing in Brandon on the application of PWA. Because of other commitments, the CTC is unable to hold the hearing before the fourth quarter of 1980 and will announce the exact dates as soon as these are set.

ENVIRONMENTAL AFFAIRS—MOVEMENT OF OIL BY TANKER—GOVERNMENT REPRESENTATION AT U.S. HEARINGS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my concern is with the proposal to have an oil tanker superport at Port Angeles, Washington. On different occasions since the February 18 election, I have asked different ministers about their stand on this in the House. Also I have written letters to the ministers. In neither case have I received satisfactory answers.

I should like to outline briefly some of the reasons why the people in my constituency and all the people on the coast of British Columbia are so concerned about this tanker traffic. First, there is a distinct possibility—perhaps I should say a statistical inevitability—that there will be a major superspill sometime off the coast of British Columbia which will result in ecological disaster.

Dr. Andrew Thompson in his final report for the West Coast Oil Ports Inquiry said:

> Time is on your side only until a spill occurs; an *Amoca Cadiz* could ground in Rosario Strait tomorrow.

This is a worldwide problem. Between 1969 and 1973, a total of 82 losses occurred. There were hundreds of other minor mishaps in which a great deal of oil was spilled.

Second, we are concerned about the incremental damage which will come through small spills, through seepage from hook-ups, and from illegal flushing. In many areas, this incremental damage is even more serious than the threat of one major spill, because this is something which is going on day after day, week after week, year after year. It is destructive of marine life.

Third, there is the danger to fishing vessels and other small craft in the shipping lanes. There are numerous instances, in areas where there is tanker traffic, of trawlers and other fishing vessels just mysteriously disappearing. We do not need to have a Bermuda Triangle to explain that sort of thing. In many cases they have simply been hit by supertankers which did not even know they hit these vessels. They just kept going and lives have been lost. I do not want to see that kind of situation prevailing off the coast of British Columbia.

• (2225)

Finally, the presence of a major tanker terminal less than 20 miles from the city of Victoria could create a serious air pollution problem. In his statement of proceedings before the West Coast Oil Ports Inquiry, Dr. Thompson talked about this aspect and said:

> It is possible that the emissions from the tankers, docks and storage tanks mixed with the air pollution from the existing forest industry operations at Port Angeles would exceed established standards with such frequency as to place in question the continuing viability of the oil port operations. If authorities enforce air quality standards by closing down offloading operations when violations occur, the resultant queuing of tankers in the Strait of Juan de Fuca could seriously heighten navigation and oil spill risks.

For these reasons and others we are very concerned about this proposal. The government claims to be aware of these facts and has declared its opposition to a superport, but when asked specific questions about the manner in which they are expressing their opposition, when asked what they are doing, they are entirely too casual. For example, in response to my question on April 28, 1980, the Minister of the Environment (Mr. Roberts) refused to have Canadian representatives present at the environmental hearings held in the State of Washington at its capital in Olympia. He had no answer to give to my request that the Department of the Environment should be conducting independent studies in this area. Two years ago, Dr. Thompson put his finger on the problem. He said:

> The public concern in British Columbia is that these negotiations are not being given the priority they deserve.

Liberal policy seems to be best summed up in the phrase "Leave it alone; maybe it will go away, perhaps after the presidential election in November." As I say, the attitude of the government is entirely too casual. For instance, when asked about a Canadian presence at the site hearings in Seattle, the minister said:

> The consulate general . . . is keeping us fully informed of events and allowing us to assess continually the situation.

I had a similar response from the Secretary of State for External Affairs (Mr. MacGuigan), but when I asked him in committee to give us an update, he could not do so. I do not expect the minister to be in possession of detailed information on every subject under the sun, but we in British Columbia think this is an important subject, a priority, and that we should at least know what is happening.

So my question is this: What co-ordination is there between the various ministers involved? Who is really in charge here and what is the Department of the Environment doing to help face this threat?

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, first, let me thank the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) for raising this important issue and pursuing it on a number of

occasions. I want to assure him on a personal basis that it is a matter of some concern to me. It is only a year or so ago, April, 1979, I believe, that the *Kurdistan* broke up off the Atlantic coast. One of the results was that several hundreds of fishermen in my own riding of Burin-St. George's found their activities disrupted; they were subsequently compensated for loss of gear but in other ways they were seriously inconvenienced. I fear that should another spill come, it might well involve more than temporary inconvenience or interruption of income. For this reason alone I share the concerns he has raised.

The hon. member said he has not been receiving satisfactory answers. I am not sure that what I have to say tonight will satisfy him either, though I believe it will satisfy a number of people who may have occasion to hear it.

● (2230)

For this reason, and with the strong support of the government of British Columbia, the Canadian government has publicly expressed its concern about, and opposition to, increasing tanker traffic on the west coast. We have repeatedly made our feelings known to the United States on this matter. For example, the Minister of the Environment (Mr. Roberts) personally made his position clear to the United States secretary of the interior when he visited Washington back in April. The Minister of Energy, Mines and Resources (Mr. Lalonde) stated this position to the energy secretary of the United States, Mr. Duncan, when he visited Ottawa last March. Even since then, Mr. Speaker, the Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs (Mr. MacGuigan) underlined our concerns again during the visit to Ottawa of the former United States secretary of state, Cyrus Vance.

As you know, Mr. Speaker, the Northern Tier Pipeline for which President Carter has expressed a preference, would be located totally within the United States. Tankers may, if necessary, proceed to and from the proposed oil port at Port Angeles entirely in the United States and international waters.

Hearings under the Washington state permitting process with respect to the Northern Tier proposal are under way and are expected to continue until late this year with a state decision unlikely before the end of 1980. These hearings are long and involved but officials of the Department of the Environment and External Affairs are following them closely. Contrary to the statement made by the hon. member for Cowichan-Malahat-The Islands, we are sending specialists to the hearings as it becomes necessary.

I can assure the hon. member and this House that the government is continuing to do everything possible to discourage additional tanker traffic on the west coast. We have also made a number of co-operative arrangements with the United States to reduce the risk to the citizens of the west coast from existing tanker traffic. For example, the provision for compensation for Canadians in the event of a spill of Alaska oil, scientific research into the marine environment and the impact of oil spills, the development of a joint oil spill contingency plan and the installation of sophisticated navigation and traffic management systems are all efforts to reduce the risk.

Finally, we recently signed a vessel traffic management agreement with the United States which, when fully implemented, will provide the Juan de Fuca region with one of the best systems of marine safety found anywhere. While we can never entirely eliminate the risk of an oil spill, we are at least working to increase the odds against it and to minimize the possibility of serious environmental damage.

I would suggest to the hon. member that the examples which I have given with regard to the situation can hardly be, "leaving the situation alone", as he phrased it. We are very much on top of the situation and we are conscious, as he is, of the seriousness and magnitude of the problem. We pledge to continue working on these problems.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.33 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, July 22, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

INTERNATIONAL WHALING COMMISSION

POSITION TAKEN BY CANADA AT CONFERENCE—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I rise, under the provisions of Standing Order 43, to propose a motion of urgent and pressing necessity. I am afraid my preamble may be a bit long, but it is very important.

Whereas the threat of extinction of many species of whales is well known, since there is no commercial whaling currently carried on by Canada, since Canada has voted against the moratorium on distant water whaling at the recent meetings of the IWC, in spite of the fact that 16 countries, including the United States, Britain, Australia and New Zealand supported a commercial moratorium, whereas Canadian officials have routinely ignored the recommendation of conservationists, and whereas the Department of the Environment has been given no role in formulating this important policy, all of which subjects Canada to growing international criticism, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this House recognize the serious threat posed by commercial whaling to the survival of all species of whales and record its opposition to the actions of Canada in voting against the moratorium at the IWC meetings held yesterday and today in England and that this House direct the Minister of Fisheries and Oceans to make a statement on motions to explain the actions of his officials.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

SUGGESTED ABOLITION OF METRIC COMMISSION—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Given the fact that the Metric Commission of Canada has a budget of $8 million for the fiscal year 1979-80, given the fact that the metric commission in Britain has been abolished and given that the metric test centre of Peterborough is returning to imperial measurements in retail food outlets, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this government immediately abolish the Metric Commission, thereby saving the Canadian taxpayer over $8 million this fiscal year.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

WOMEN

LEGISLATIVE AMENDMENTS TO REMOVE DISCRIMINATION—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I too rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. Whereas Canada signed the UN convention on elimination of all forms of discrimination against women last week in Copenhagen at the world conference of the UN decade for women, and whereas it will not be possible for Canada to ratify this convention as long as discriminating features exist in such federal legislation as the Indian Act, the Income Tax Act, the Unemployment Insurance Act and the Canada Pension Plan Act, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House instruct the government to introduce as soon as possible such amendments to the Indian Act, the Income Tax Act, the Unemployment Insurance Act, the Canada Pension Plan Act and other relevant acts as are necessary to remove existing discrimination against women, thereby enabling the governmment to ratify the UN convention on elimination of all forms of discrimination against women.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

CONSUMER AFFAIRS

POSSIBLE ABUSES AT RETAIL LEVEL RESULTING FROM METRIC CONVERSION—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise on an urgent matter related to the motion of my colleague, the hon. member for Erie (Mr. Fretz), and under the provisions of Standing Order 43. In view of the fact that the Consumers' Association of Canada is investigating complaints by its members of price rip-offs at the retail level because of metric conversion, and since the Department of Consumer and Corporate Affairs funds the CAC in order for it to be vigilant on behalf of consumers, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House requires the Minister of Consumer and Corporate Affairs to table the findings of the Consumers' Association of Canada report and to act on the CAC's recommendations if abuses are found as a result of metric conversion at the retail level.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NEW HORIZONS PROGRAM

DISMISSAL OF SHEILA ZIMMERMAN—INVESTIGATION OF AWARDING OF GRANTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker I rise on an urgent matter concerning special assistant Sheila Zimmerman's recent questionable dismissal by the Minister of National Health and Welfare (Miss Bégin) as the alleged author of a letter to Liberal members of Parliament on New Horizons grants, and now a further letter, a copy of which I have here, issued by Bill de Laat, special assistant to the former minister of national health and welfare, the present Minister of Energy, Mines and Resources (Mr. Lalonde), addressed to all Liberal members of Parliament and dated May 10, 1977.

● (1410)

I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That because the 1977 bilingual letter in the French version gives similar New Horizons grant veto power to all Liberal members of Parliament, as in Mrs. Zimmerman's recent letter, this House declares Mrs. Zimmerman wrongfully dismissed for a system in effect for years and, finally, the House requests a parliamentary investigation of awarding methods, not only for New Horizons grants but all grants under government jurisdiction, for the dual purpose of protecting reputations of ministerial employees and particularly to determine what extent such grants have been and are awarded by ministers against a background of shocking patronage shovels digging into public funds.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

INFORMATION

REQUESTED REPLACEMENT OF TERM "FEDERAL GOVERNMENT" BY "CANADIAN GOVERNMENT" OR "GOVERNMENT OF CANADA"—MOTION UNDER S.O. 43

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, I rise, under the provisions of Standing Order 43, to ask for the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity.

Considering the systematic use made by the Quebec separatists of the phrase "le fédéral" to refer to the Canadian government, considering the frequent use of this phrase made by parliamentary reporters of the CBC French network and by the media in general, considering the disparaging connotation that such an overuse gave to the word "le fédéral", I move, seconded by the hon. member for Beauce (Mr. Lapointe):

That this House recommend that press gallery reporters and any other member of the CBC French network news team as well as other French media use the terms "Gouvernement canadien" or "Gouvernement du Canada" instead of "le fédéral" to refer to the government of our country in any news coverage or documentary presented to Canadians.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

SUPREME COURT OF CANADA

POLITICAL ALLEGIANCE OF JUSTICES—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

The Prime Minister (Mr. Trudeau) last week made the novel and disconcerting statement that, while judges may not vote, it is acceptable for them to retain partisan political connections. This concept is diametrically opposed to long-standing principles of the common law respecting the independence of the judiciary. In view of the fact that one item on the constitutional reform agenda is the reorganization of the Supreme Court of Canada, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House direct the Prime Minister to make a statement on motions as to the political allegiance of each member of the Supreme Court of Canada and whether his proposals for reorganization of the said court will involve the filing

by the justices of the court of an annual return declaring their respective political allegiance.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

PREPARATION OF UP-TO-DATE BEEF MARKETING SYSTEM—MOTION UNDER S.O. 43

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity.

Whereas the Minister of Agriculture has consistently described Canada's beef marketing system as "archaic" and "medieval"; whereas beef producers are busy attempting to produce beef under difficult and trying conditions and have neither the time nor the resources available to research and recommend changes to the system; and whereas the minister has marketing experts on staff and the resources of his department to assist him, I therefore move, seconded by the hon. member for Prince Albert (Mr. Hovdebo);

That this House instruct the minister to prepare and table a proposal outlining his ideas on an up-to-date beef marketing system.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

RAILWAYS

STATUS OF BRANCH LINES PUT INTO PERMANENT NETWORK—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. The Minister of Transport (Mr. Pepin) has caused great anxiety and uncertainty for many western farmers by raising the question of whether he would honour a commitment by the previous minister of transport to guarantee service on some 30 branch lines by placing them in the permanent network. In view of the fact that this uncertainty is causing railway and elevator companies to postpone upgrading and maintenance programs until the government makes up its mind, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Minister of Transport end the uncertainty surrounding the future of these branch lines by stating that he will not change the status of any branch lines put into the permanent network by the previous minister.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PRICING AGREEMENT—INQUIRY WHETHER NEW PROPOSAL PREPARED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Energy, Mines and Resources and relates to the meeting to be held on Thursday of this week between the Prime Minister and the Premier of Alberta regarding an oil pricing agreement. I wonder if the minister can tell the House if the Government of Canada, in anticipation of this meeting between first ministers, has prepared a detailed new proposal and whether that detailed new proposal, if prepared, has been presented to the producing provinces?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the government has indeed prepared a detailed proposal which the Prime Minister will discuss on Thursday with the Premier of Alberta.

[*English*]

Mr. Clark: Madam Speaker, the minister declined to indicate whether there is a new proposal after the failure of his negotiations with Mr. Leitch and whether in fact that proposal has been presented in advance to the producing provinces. The minister and the House will recall that the position of the producing provinces is that they want the same net benefits from a new agreement that they would have had from the agreement that was ready for signature by my government. We in this House are particularly interested in knowing whether the people of Canada will have the same net benefits from a new proposal as they would have had from the proposal that was near signature between the provinces and my government.

In light of achieving the same net benefits for the people of Canada, may I ask the minister whether the federal proposal includes some equivalent of a Canadian energy bank or an institution of its kind which can take billions of dollars from multinationals and use that money to help Canadians acquire ownership of energy resources?

Mr. Lalonde: Madam Speaker, I should like to reassure the Leader of the Opposition that the offer—the proposition put forward by the Prime Minister—will be much better for

Canadian consumers than the one contained in the last budget; that should not be too difficult.

Mr. Andre: Is that an ironclad guarantee?

Mr. Lalonde: As far as the other part of the question is concerned, I should also like to assure the hon. member that if any particular bank, to use his expression, is set up it will not be set up at the expense of the Canadian consumer, as the December 11 Conservative budget was proposing.

Mr. Clark: Madam Speaker, anyone who would believe what the minister has just said would also believe that a tax on home heating oil is better than no tax on home heating oil.

Let me ask the minister, again in the interests of having the same net benefits for Canadians that would have been realized under the agreement that was ready for signature with my government, if the proposal that is going to be put forward by the Prime Minister—if there is a proposal—includes a refundable tax credit to offset the impact of price increases for low and middle income Canadians?

[*Translation*]

Mr. Lalonde: Madam Speaker, the Leader of the Opposition will have to wait until those discussions have taken place with the Alberta premier and perhaps also until we have consulted with other premiers before we can announce in detail the contents of the proposals put forth by the government. I want to emphasize again, however, that to all intents and purposes the proposal made by the Prime Minister will be of greater benefit to consumers than what was contained in the December 11 budget.

[*English*]

POSSIBLE REFERENCE TO SUPREME COURT IF FAILURE TO REACH AGREEMENT

Hon. Bill Jarvis (Perth): Madam Speaker, I have a supplementary question for the same minister who confirmed to me several weeks ago that upon the expiration of the current agreement as extended, and in the absence of a new agreement, three scenarios are possible: unilateral federal action, unilateral provincial action, or the normal conditions of market supply and demand.

Setting aside that third scenario, the open market system, either federal action under the Petroleum Administration Act or in terms of provincial legislation the petroleum marketing commission act or the mines and minerals amendment act, obviously in the minister's mind, I am sure, raises problems of constitutional validity which would likely necessitate reference to the Supreme Court of Canada. Can the minister confirm that these references have in fact been prepared in order that they may be acted upon expeditiously in the event of a failure of a new pricing agreement?

● (1420)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am afraid I have to advise the hon. member that we are still working on the basis of an agreement, not a failure to agree. Therefore, no work has been done preparing references of the type he has mentioned to the Supreme Court of particular provincial legislation.

I understand that some queries exist because of the constitutional validity of the Alberta acts in particular, but the federal government has not prepared any particular step to take these matters to the Supreme Court at this time. We are working on the basis that there will be negotiations in good faith and hopefully we will be able to reach an agreement. What we are going to propose, we believe, is a fair and equitable deal for the producing provinces. It is a fair deal also for the federal government which needs additional resources to meet its commitments and it is an excellent deal for the Canadian consumer.

Mr. Jarvis: Madam Speaker, I understand the minister hoping for a new agreement; indeed, I think everyone hopes for that. What I do not understand is why, in the face of a potential horror story within six or seven days following the first ministers' meeting of this week wherein there is no regime in place for pricing, supply or delivery, let alone the impact on the constitutional discussions, no action has been taken in terms of preparing these references in the event the horror story does in fact unfold. Can the minister indicate to the House, in the absence of the Minister of Justice, in view of the fact that the Supreme Court of Canada does not normally sit in July and August, whether discussions have taken place between the Minister of Justice and the Chief Justice of the Supreme Court, or between any minister and the Chief Justice, in terms of special sittings in August?

Mr. Lalonde: Madam Speaker, as far as the first part of the question is concerned, I would like to tell the hon. member again that this government does not believe in confrontation for confrontation purposes.

Some hon. Members: Oh, oh!

Mr. Epp: Especially you, Marc!

Mr. Lalonde: Therefore, we have refused even to consider the possibility that we would not have an agreement.

Mr. Clark: If you are a dove, who is a hawk?

Mr. Lalonde: We are going to work on the basis of an agreement.

As to the second part of the question, again there has been no consultation that I know of with the Chief Justice. As a matter of fact, I am sure there has been no such consultation between the Minister of Justice and the Chief Justice of the Supreme Court of Canada.

BUSINESS OF THE HOUSE

HOUSE LEADERS' DISCUSSIONS REGARDING VOTE ON PIPELINE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the government House leader. Is the government House leader in a position to report to the House on discussions that took place among the House leaders of all parties who were seeking to work out an arrangement so that there could be a vote on the fundamentally important question of a pipeline which is about to be constructed in this country?

An hon. Member: Is Stanley not talking to you these days, Ed?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the hon. member knows full well what his party suggested. Last night I offered members of the New Democratic Party in the House to let them have the whole day today, to let them introduce the motion of their choice, with such motion to be voted upon, provided after that vote we could put the motion for adjournment. The New Democratic Party—since the question has been put to me by its leader—suggested two days of debate rather than one, and we have no objection to it.

However, a compromise may be achieved since the hon. member knows that tomorrow as on any Wednesday the House sits for three hours, that is from three o'clock to six o'clock and then adjourns. Thus, if we sit from six to eight tonight during suppertime and, if necessary, later on from ten o'clock to midnight we would then have four additional hours of debate instead of three. Further, as far as we are concerned, we would be prepared to allow the NDP to have one speaker out of three throughout the debate until midnight if necessary, so that with this alternative proposal I am making to the NDP leader, his members would have more time to speak today than they would have had otherwise if the House sat two days as suggested earlier today by them. Since we are talking about a meeting of parliamentary leaders, I do not intend to reveal the contents of these consultations. I do not want to speak on behalf of the Progressive Conservative Party but I have every reason to believe that the House would rather give unanimous consent to that proposal than to a two-day debate as proposed by the hon. member.

● (1425)

[*English*]

Mr. Broadbent: Madam Speaker, the government House leader knows very well that we in this party disagree in substance fundamentally with the course the government is pursuing.

Some hon. Members: Oh, oh!

Mr. Broadbent: Will the government House leader confirm that he has genuinely agreed to a two-day debate on a matter that is going to involve the expenditure of anywhere from $18 billion to $22 billion? We in this party think that is a reasonable amount of time for a debate and a vote. Will he agree the government party has gone along with that proposal, but that the Conservative party of Canada, because it does not want to be put on the spot, has turned it down?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Pinard: Madam Speaker, I have no right to reveal publicly the position taken by the Progressive Conservative Party during the meeting of parliamentary leaders. It is not my intention to do so. All I want to say to the New Democratic Party is that as far as we are concerned we are prepared to give them the two-day debate they seek. But I will also tell the hon. members of that party that it would be more advantageous if they condensed those two days of debate in one day to finish before midnight, and I think that they would have the support of the Progressive Conservative Party.

[*English*]

UNWARRANTED LIMITATIONS PLACED ON RIGHT OF DEBATE

Hon. Walter Baker (Nepean-Carleton): Will the government House leader also agree that in the course of the discussions we had indicated that we felt that the limitations being placed during the adjournment debate on the right of members to discuss a number of matters which are inherent in the right of members of Parliament were unwarranted? Will he also indicate to the House that during the discussions it was agreed that a question with respect to the matter could be put this evening, following which the question on the adjournment debate would be put, and that the government House leader was agreeable to that suggestion?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, since the question is put to me by the parliamentary leader of the Progressive Conservative Party, what was said during that meeting is no longer a secret, and I feel more comfortable talking about it. My problem is that I am prepared to subscribe both to the proposal of the New Democratic Party and to the proposal of the Progressive Conservative Party, but they do not agree among themselves. So, Madam Speaker, it is fair to say that we could finish the debate tonight or tomorrow evening whether we agree on the two-day or the one-day proposal. There is no problem, the members of the Progressive Conservative Party or the members of the Liberal party may deal with any other subject because the proposal on the table provided in its terms for the latitude to allow each hon. member to express his views on any other subject, and not necessarily on the northern pipeline.

To conclude, Madam Speaker, since the question is put to me by the parliamentary leader of the Progressive Conservative Party, we are prepared to agree to sit two days or to sit

today until midnight, provided the New Democratic Party and the Progressive Conservative Party come to an agreement.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM UNITED KINGDOM AND GOVERNOR OF STATE OF ANTIOQUIA, COLOMBIA

Madam Speaker: May I at this time draw to the attention of the House the presence in our gallery of an important delegation from the parliament of Westminster, headed by Mr. Marcus Richard Kimball—

Some hon. Members: Hear, hear!

Madam Speaker: —and also to the presence of Dr. Rodrigo Uribe, governor of the state of Antioquia, Colombia.

Some hon. Members: Hear, hear!

* * *

GOVERNMENT EXPENDITURES

INQUIRY WHEN SPECIAL COMMITTEE TO REVIEW CAPITAL ACQUISITION PROJECTS TO BE ANNOUNCED

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the President of the Treasury Board. The minister, because of his position while a member of the opposition, will be familiar with the subject matter covered by the first report of the Standing Committee on Public Accounts which was presented to the House last Friday. Because of his present position, he will be aware that the current commitments to all capital projects presently under way are in excess of $10,000 million.

When will the minister be announcing the establishment of a special committee of the House of Commons, as proposed by the Standing Committee on Public Accounts, and similar to that proposed by the Clark government, to review capital acquisition projects expected to have cost overruns?

● (1430)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I thank the hon. member for his question. I am indeed familiar with the material. In fact, I was studying the report of the public accounts committee this morning and I hope to speak to the hon. member for Vancouver Quadra, who is the chairman of the committee, with respect to my conclusions based on the very good work the committee has done. I hope there will be consultations in the very near future.

Mr. Clarke: I thank the minister for those kind remarks. I know he is aware that Treasury Board rules are frequently ignored when it comes to the approval of capital projects. Is the hon. gentleman ready to announce that before final approval is given to capital acquisition projects, in excess of $10 million, deputy heads of departments and heads of agencies will be required to certify in writing to the Treasury Board that all established procedures, as set out by the Treasury Board, have been followed and, in particular, that the proposal is supported by accurate and complete documentation?

Mr. Johnston: Madam Speaker, I believe the hon. member knows how supportive I am of the work the public accounts committee has done in this regard and of the work done by the Auditor General. He should also be aware that substantial improvements have taken place in procedures since the specific instances which were studied by the public accounts committee on capital cost overruns. As a matter of fact, the previous government introduced procedures last July with respect to the reporting and control of these projects, and similarly improved procedures concerning major projects are in effect and additional requirements with respect to monitoring these projects were approved by Treasury Board earlier this year. I shall look very carefully at the work of the public accounts committee to determine whether any additional safeguards are required.

AVOIDANCE OF WASTEFUL PROCEDURES REGARDING BUILDINGS UNDER TENDER

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is also for the President of the Treasury Board. Given that carrying out changes in a structure after construction has started is costly, time-consuming and wasteful, and given that plans changed several times after construction started on the Calgary airport to the extent of 59 per cent, involving an increase of some 268,000 square feet, resulting in a cost increase of 255 per cent, or $54.4 million, may I ask what the government is doing to make sure that such procedures will not be followed in connection with buildings which are now under tender?

Hon. Donald J. Johnston (President of the Treasury Board): It is apparent when reference is made to material that I have already made reference to during the course of my response to the questions of the hon. member for Vancouver Quadra that procedures have changed since the Calgary airport was tendered for some years ago. In fact, one of the requirements of the Auditor General and one of the suggestions which arose from the Spice studies was that all these projects should be based on complete estimates and full information. I understand from the Department of Transport that this is what they are now doing.

Mr. Taylor: The minister will recall that in the public accounts committee it was alleged, and not denied, that the man responsible in the ministry for the fiasco of wasted money at the Calgary airport was not disciplined other than by being promoted and getting an increase in pay. What is government policy now with regard to punishment and retribution in the event of unnecessary waste, carelessness and disregard for accountability on the part of civil servants?

Mr. Johnston: The hon. member will recall that one of the recommendations with respect to all these projects is that one person should be held accountable as project manager. That is one of the requirements of the major Crown projects guidelines which have been in effect now for some years. We hope that accountability and the performance evaluation of individuals involved in these projects and the fact that one can point to a single individual as having responsibility will go a long way to correcting the situation to which the hon. member has referred.

* * *

ENERGY

IMPLICATIONS FOR ARCTIC PILOT PROJECT OF NATURAL GAS EXPORTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Given that the export of gas from southern Alberta will hasten the exploration and development of energy projects in the Canadian Arctic, would the minister agree that the export of environmentally secure southern gas has implications for the timetable of the Arctic pilot project and associated tanker traffic?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would not tend to agree with the hon. member but he might want to elaborate his question. The Arctic pilot project is coming up before the Energy Board some time this fall, I believe. There is a letter of intent with Tenneco of the United States which has been signed in which Tenneco has indicated its interest in buying Arctic gas. I submit we will have to wait until the Energy Board has held its hearings and reached a decision as to whether this application should be entertained or not before coming to any conclusion. But the hon. member may have more he wishes to tell us in this respect.

SETTLEMENT OF NATIVE CLAIMS PRIOR TO NORTHERN DEVELOPMENT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, it is my understanding that in the other place the minister responsible for the pipeline did indicate that there would be implications involving northern development. My supplementary is for the Minister of Indian Affairs and Northern Development. An acceleration in northern development would have serious implications for native people who have outstanding claims against the federal government. Will the minister assure the House that native claims in the north will be justly settled prior to the approval of any massive development projects in the north?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would advise the hon. member that I have discussed this matter at considerable length with the native leadership and I have appointed negotiators. I have assured them that no development will be approved in areas where the government has jurisdiction or in which I have jurisdiction as Minister of Indian Affairs without assurances being given which will not preclude a just settlement of their land claims.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR ASSISTANCE TO CREATE JOBS

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, my question is directed to the Minister of Employment and Immigration.

Does the minister intend to help job creation as was the case in the past, and I am thinking of the Canada Works program? If so, what will be the closing date for project application and what will be the terms and conditions?

[*English*]

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, we have announced a direct job-creation program called "Canada development projects". It is my intention to announce the guidelines for that program next week, hopefully on or about July 28. At that time we shall submit to members of Parliament a package of information outlining the steps to be taken, but I can assure my hon. friend that the first principle is that the projects to be selected will apply to every constituency across Canada and will be based upon the views of an advisory group established by each of the members, so there will be a full grounding of local and community review and assessment as to the type of project most appropriate for those local areas.

Some hon. Members: Hear, hear!

* * *

NEW HORIZONS PROGRAM

REQUEST MINISTER CONFIRM EXISTENCE OF LETTER GIVING LIBERAL MEMBERS VETO POWER

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, as I cannot under the rules question the Minister of Energy, Mines and Resources with regard to a former portfolio, I shall direct my question to the present Minister of National Health and Welfare. I refer to the recent firing by the current minister of her special assistant Sheila Zimmerman as the supposed author of a letter addressed to all Liberal members of Parliament giving them a virtual veto power over New Horizons grants. Will the minister confirm the existence of a further letter dated May 30, 1977, a copy of which I have in my

possession, issued by Bill de Laat, special assistant to her predecessor, addressed to all Liberal MPs and, in the French version, giving exactly the same veto power?

An hon. Member: Read it in French!

Mr. Cossitt: I would if I was permitted to do so under the rules; I would be glad to read it into the record. That letter gave exactly the same veto power to Liberal MPs as was given in Mrs. Zimmerman's letter, for which she was fired, for being the originator of something she had absolutely nothing to do with. Will the minister explain this situation?

● (1440)

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I should like to take this opportunity to question the hon. member's attitude and the mud he is trying to throw at certain people and at a program. Facts are always a bit scary, especially when they are quite ordinary and easy to understand if one really wants to. I cannot personally confirm the existence of a memo which was circulating before I was in charge of the department. However, my colleague tells me, and I would have liked the hon. member to have the courage to read this document himself, that this memo, written in French, said textually that if members of Parliament have "any criticisms" to express, they are asked to raise them with whomever they may concern. All I can say is that never since I have been in charge has it been possible for an hon. member to interfere politically in any project or program of my department and to try to suppress it or to reduce its funding. The hon. member, who was present at the standing committee, did not have the courage to say what I said to the small group of hon. members in attendance. All hon. members of all political parties—

An hon. Member: The Liberals!

Miss Bégin: Put your seat on the line! All hon. members of all political parties have always received on a regular basis notices advising them of each New Horizons project in their riding. I intend to continue that practice. The false scandal the Progressive Conservative opposition is trying to create is without basis.

[*English*]

REQUEST FOR PARLIAMENTARY INVESTIGATION INTO AWARDING OF GRANTS

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, in prefacing my supplementary question, I see no purpose in replying in kind to a defence that is not a defence by distorting and muddying up the picture as the minister has done.

An hon. Member: How do you know?

Mr. Cossitt: So in the hopes there is someone on the other side who may have a little more intelligence—

Some hon. Members: Oh, oh!

An hon. Member: Tell her to put her seat on the line.

Mr. Cossitt: She obviously has her seat somewhere right now—I direct my question to the Acting Prime Minister. I hope the Acting Prime Minister, who often gives very admirably smooth replies, will now also give us something that is not of questionable content. Will he specifically assure the House that cabinet ministers in the future will not be permitted to blame or dismiss staff for things they did not do, the Zimmerman case being an example? In particular, is the government prepared to agree to a full parliamentary investigation of the whole system of awarding New Horizons grants, other grants and even government contracts, to determine the extent that the dry rot of political patronage has eaten into the framework of awarding such things?

An hon. Member: Yes or no, Allan?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam speaker, I thought the Minister of National Health and Welfare had dealt with the subject carefully and assured the hon. member that these projects are administered in a fair way, and that the citizens of all constituencies, regardless of the political affiliation of their members, are eligible and do receive benefits from the programs of Canada.

REQUEST OPPORTUNITY BE AFFORDED MEMBERS TO PRESENT CHEQUES TO GRANT RECIPIENTS

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is also for the Minister of National Health and Welfare. In light of the fact that the latest New Horizons grants involved some 20,000 participants and are in excess of $1 million, is the minister prepared to involve members of this House in the New Horizons program in a meaningful way by affording us the opportunity of personally congratulating the recipients and presenting the cheques?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, it is always moving to see a new member discover the mysteries of life. If he uses this gadget, I could recommend that he listen to the interpretation. He would then have understood that I have just said that during my first mandate, as well as this one, and if I am not mistaken during the five years under my predecessor, at which time the New Horizons program was set up, all members of all parties have received an official notice of each project, by letter, advising them of it. That is very clear. It has always been done. That will always be done. So, will he be kind enough to tell us what new proposal he intends to make? I must admit that in committee I added, about a month ago, that hon. members

who are interested in going one step further and in presenting a cheque, provided they do not forget it in the basket on their desk in the House of Commons, are most welcome.

[*English*]

Mr. Bradley: Madam Speaker, I have one of the releases and it is very pretty. I feel that possibly—

An hon. Member: You cannot even read the question.

Mr. Bradley: I am sure the minister is not intentionally doing so, but either she is misleading the House or the standing committee.

An hon. Member: Welcome to the House.

Mr. Bradley: In committee three weeks ago she said this:

So can we conclude that you will all meet your New Horizons groups and give the cheques yourselves; then I will not have the problem.

And later she said:

But do not lose the cheques, because you will be in trouble.

I viewed this as an ironclad commitment of the minister.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. Would the hon. member ask his question.

Mr. Baker (Nepean-Carleton): He is coming to it.

Mr. Bradley: I was just getting to it, Madam Speaker. I was wondering if the minister could get up off her apathy and tell us whether or not she intends to carry out the commitment she made in committee.

An hon. Member: She just answered that.

[*Translation*]

Miss Bégin: Luckily, since my knowledge of English is rather limited, I did not understand the expression which, if I understand correctly, I had better not know anything about.

[*English*]

I should like to repeat to the hon. member that he started his quotation dishonestly a line too far.

Mr. Clark: Dishonestly?

Miss Bégin: He should have given the context. We were discussing the federal presence in the programs of the Government of Canada for the people of Canada. I said and will repeat that if members knew their New Horizons constituents and the groups in their ridings, we would not have the problem of having to remind them that they exist. We are close to the people and we are not ashamed of saying it.

[*Translation*]

ENERGY

REQUESTED ESTABLISHMENT OF NATURAL GAS RESERVE IN CO-OPERATION WITH QUEBEC AND ONTARIO

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I shall put my question to the Minister of Energy, Mines and Resources. In view of the importance of natural gas for Canada's future, does the federal government intend, in co-operation with the governments of Quebec and Ontario, to purchase now natural gas from Alberta in order to set up a reserve or bank and keep it for Canada's future, as the government of Mr. Tommy Douglas did in Saskatchewan several years ago?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I should like to remind my friend of the NDP that the government of Saskatchewan is now selling, if I am not mistaken, about 21 million barrels of heavy oil to the United States every year. So the idea of exports is not new. As to the suggestion of the hon. member, I must tell him that we are now reviewing our whole energy policy.

I hope that when the oil pricing discussions are over, we shall be in a position to announce a whole series of measures which should make Canada self-sufficient in energy and ensure the Canadian people a much more secure supply of oil products in the future, which includes natural gas. So I must tell my friend he will have to wait for the official announcement of our policy to draw a conclusion of the specific question he asked about natural gas.

INQUIRY WHETHER PRICE OF NATURAL GAS WILL BE MAINTAINED AT ACCEPTABLE LEVEL

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my supplementary is for the Minister of Energy, Mines and Resources. He did not reply to my first question, but I shall ask him another one. Because of the decision of the federal government to export natural gas, this energy source will be more expensive for future generations. I would therefore ask the minister if the government will undertake to maintain in the future the price of natural gas at a reasonable level for the consumers and small businesses of Canada.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the price of natural gas will increase, as will the price of oil and this is not because of any exports, but simply because we shall have to pay more for our energy resources in the future. The authorized exports only apply to the resources recognized by the National Energy Board as surplus to Canadian needs, and the billions of dollars so obtained by the country and Canadian business will help us to discover additional resources which will, once again, ensure secure supplies for future generations of Canadians. As for the

oil pricing policy, we are now negotiating with the producer provinces, and I wish to tell my colleague that we indeed want to maintain for natural gas a price which will be lower than the price of oil with regard to Btu's produced. Therefore, in the next decade, it will be in the Canadian people's interest to consume Canadian natural gas rather than any other oil product.

* * *

STANDING COMMITTEES

INQUIRY WHETHER AUTHORIZATION WILL BE GIVEN TO TRAVEL DURING RECESS AND SESSION OF PARLIAMENT

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, my question is for the President of the Privy Council and government House leader. Following the numerous requests received in the last few months by the House standing committees to travel in order to hear the representations of Canadian organizations, for instance, several western farm organizations would like the Standing Committee on Agriculture to become more involved with drought-related problems, to show its awareness of the problems and to make suggestions regarding the appropriate special measures to be taken in these special circumstances, can the minister tell the House if he would be willing to authorize the committees to sit outside Parliament, and this, not only during the recesses of the House but also during the session?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, each case is studied on its the merits, and it is up to the House as a whole to decide whether a committee may on request travel or not during normal sitting hours. For my part, each case must be studied on its merits. If the circumstances warrant it, I am convinced I will have no objection to a committee travelling even when the House is sitting.

* * *

● (1450)

[*English*]

ENERGY

INQUIRY AS TO GOVERNMENT DECISION ON NATURAL GAS EXPORT TAX

Mr. Bill Yurko (Edmonton East): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. At a news conference in Edmonton last week Senator Olson said that an export tax on natural gas would hurt exports via the pre-build portion of the Alaska gas pipeline which has been approved by the federal government. To quote his actual words, he stated that "any tax is disastrous". Furthermore, Senator Olson is reported to have backed up Alberta Premier Lougheed's and B.C. Premier Bennett's joint declaration that any gas export tax would cause alienation and division in western Canada.

As Senator Olson is a member of cabinet, are we to understand that the government has already made a decision that there will be no export tax on natural gas, or is this another example of Senator Olson resorting to political trickery in Alberta in that he is trying to be on both sides of the issue at the same time?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am sure my hon. friend would not want to mislead the House or misrepresent what Senator Olson said. I have before me a transcript of what Senator Olson actually said and, I suspect, from which the hon. member has attempted to quote. It says:

> I think everybody would make an argument that any tax is disastrous. They don't like it. There is no question about that and I don't think there is such a thing as a popular tax.

So I think my hon. friend has, to say the least, given a very wide interpretation to Senator Olson's statement.

Mr. Yurko: Madam Speaker, it is quite obvious that the government is still considering an export tax on natural gas even though the minister, in replying to a direct question by the hon. member for Saskatoon West on April 17, indicated categorically that this is not part of the government's policy.

Is consideration of an export tax on the agenda for discussion between the Prime Minister and Premier Lougheed as a trade-off for other price concessions by the provinces?

Mr. Lalonde: Madam Speaker, I am surprised at the reference the hon. member has attributed to me. I suspect, if he looks at *Hansard*, he will find that I indicated that the government was considering many alternatives and that we were not closing up any alternatives.

As to the exact subject of discussions on Thursday between the Premier of Alberta and the Prime Minister, I will say only that they will discuss the price of petroleum products generally in Canada, and I am sure that they will want to cover a very wide range of items under this general heading.

NATURAL GAS EXPORT TAX—INQUIRY WHETHER MINISTER HAS CHANGED POSITION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I just want to refresh the minister's memory by using his own words without any editorializing. I asked him a simple question as to whether one of his priorities would be to introduce an export tax on natural gas. I asked him whether that is a statement of government policy. The minister responded, "This is not part of government policy". I want to know whether he has changed his mind with respect to that categorical answer he gave to me, or are we observing another flip-flop on the part of the minister?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, there is absolutely no change of mind. What I indicated clearly is that when government policy

is decided and when cabinet has made a final decision, it will be announced in the proper way. Until the government has made a final decision on the whole issue of energy pricing, gas and oil pricing in particular, we are examining all kinds of alternatives. I will leave it at that. The policy has not been determined in a final way until the cabinet has made a final decision.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR REPORT ON NEGOTIATIONS CONCERNING MODERNIZATION PROGRAM FOR QUEBEC PULP AND PAPER INDUSTRY

Hon. Roch La Salle (Joliette): Madam Speaker, my question is to the Minister of Regional Economic Expansion. Last year, I think, the federal and Quebec governments had apparently agreed on a modernization program for the pulp and paper industry. A few weeks ago, I believe the responsible minister in Quebec stated that by delaying his answer, the federal government hindered at least 15 industries which were very interested in this program from starting major projects. In such circumstances, could the minister inform us today on the progress of the negotiations and the expected starting time of this program in the light of his department's decision?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Yes, Madam Speaker, I must say to the hon. member that the federal government is particularly proud of this program, not only because it will contribute to modernizing the industry, but mostly because it was designed in answer to a request by the Quebec government for a $90 million DREE subsidy on the understanding that it would be enough for the implementation of that program. My predecessors have agreed to the Quebec government request and paid out that amount but, of course, the government of Quebec now claims that it is not enough. In the circumstances, I have briefed the cabinet on the situation and they will have very shortly to decide whether or not the funds allotted to that program should be increased.

Mr. La Salle: Madam Speaker, I have a supplementary. In view of the fact that the federal government had agreed I think, on $109 million funding, which figure went up to $259 million, I understand the government had to reassess their decision, but can the minister now indicate whether he recommended that the Canadian government share be increased on the basis of the same percentages, 60-40 if I am not mistaken? Could the minister further state whether his government will take a decision on the 15 projects, including an important one, a pulp and paper industry in my parish—and this explains my interest—the best papers in the world, Scott papers, that are still waiting? But how many other industries also are waiting? Would the minister be in a position to state at least when, approximately, he could announce the Canadian government contribution to that funding?

Mr. De Bané: Madam Speaker, I would remind the hon. member that his submission that projects are waiting is not accurate. A year and a half ago the Quebec government asked us for a certain amount. At that time they assured us in writing they would never ask for increases. And today the hon. member is telling me they are waiting for extra funds. So this is not quite accurate.

As far as the second question is concerned, as to when the federal government will announce a decision on that request for increases, I think this should come within two weeks at most.

* * *

• (1500)

[*English*]

LABOUR DISPUTES

NEWFOUNDLAND FISHING INDUSTRY—POSSIBLE ACTION BY MINISTER

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the Minister of Fisheries and Oceans. We are into the second day of a disastrous strike and a lock-out which has virtually shut down the entire fishing industry in Newfoundland and which will bring, as the minister knows, disastrous consequences to the Newfoundland economy and potential tragic consequences to the fishermen.

Given the fact that the minister has—and I use the word advisedly—a form of concurrent jurisdiction here, surely he must realize that he has a role to play. Has the minister been in touch with the Newfoundland government during the past 24 hours? Does he intend to meet with his counterpart in Newfoundland to determine what role the Government of Canada can play in bringing an end to this disastrous situation?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, after the hon. member's questions yesterday, I was informed that the Newfoundland cabinet was holding a special meeting. I felt that I should not intervene at that moment because we would learn from the Newfoundland government, under whose jurisdiction this matter lies, what position they were taking.

I was informed—and I hesitate to give this information because it may not be totally accurate—that the Newfoundland government has requested a cooling-off period of 30 days. Both sides would examine the matter for 24 hours and then express their position. I received this information second-hand and it is subject to correction. Just before I came into the House I attempted to obtain the latest information, but I could not reach the person. To answer quickly, I have not been in touch with the Newfoundland government since yesterday afternoon.

Business of the House

EXTERNAL AFFAIRS

ALBACORE TUNA—APPROACHES MADE BY UNITED STATES NEGOTIATORS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, on the same general area of fisheries, has the minister had time to consider the question raised yesterday about the albacore tuna on the west coast, and has he entered into discussions to find out at least what the Americans are prepared to offer in this particular case?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I had some discussions after questions yesterday with the Secretary of State for External Affairs. In fact, I expect that our officials may meet American officials for a preliminary "tour d'horizon" in the next day or two, and from that we will determine the course of action.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, my question is with respect to House business and I suppose that this is as good a time to put it as any. You will recall yesterday that the government called Bill C-44:

An act to amend the Small Loans Act and to provide for its repeal and to amend the Criminal Code.

At that time, because of the inclusion within the matter of the Criminal Code, I reserved my position to consider it. You will also recall, Madam Speaker, that the Minister of Consumer and Corporate Affairs requested that we do so. We have considered the inclusion of that aspect of the criminal law. I had a discussion with the minister, for which I thank him, in which he indicated that they would look at the operation of that bill after one year to determine how it was being utilized. I think that he and I have some views with respect to the appropriateness of the Criminal Code which we could share privately.

In any event, as a result of that discussion, it would be agreeable, if the government House leader sees fit and considering the statements made to me by the Minister of Consumer and Corporate Affairs, that when we come to the calling of government bills, he call Bill C-44. We are now prepared to allow it to go through all stages. I thank the minister very much for his consideration with respect to this matter.

Mr. Rae: On this point, Madam Speaker, I want to indicate to the hon. member for Nepean-Carleton that I am sure there are many credit unions and caisses populaires which are grateful for the fact that the Conservative party has decided to change its mind on this critical issue.

Some hon. Members: Oh, oh!

Mr. Rae: We are extremely glad that this has happened. I want to indicate to the government House leader that if he does decide to call this particular bill, there will be no objections from this side. We would like to see it go through all readings in one stage.

[*Translation*]

Mr. Pinard: In view of that understanding, Madam Speaker, I have no objection to the legislation being dealt with today through all stages, without debate or amendment. Hopefully we can come to other understandings within the next few hours.

* * *

[*English*]

POINTS OF ORDER

MR. CLARK—TABLING OF DOCUMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wish to raise a point of order in relation to the tabling of documents. I noted that in his response to the hon. member for Edmonton East (Mr. Yurko), the Minister of Energy, Mines and Resources (Mr. Lalonde) quoted in part from a statement which he said was a transcript of remarks made by his colleague in the other place. Since the minister quoted from that document, would he agree to tabling that whole document in the House?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would be very glad to table the document as soon as I have a copy. *Hansard* has asked for the copy which I had, and as soon as it is returned I will be very happy to make it available. I must say that it is exactly that, a transcript of a press conference.

MR. HNATYSHYN—STATEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES DURING QUESTION PERIOD

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, since the Minister of Energy, Mines and Resources (Mr. Lalonde) is present, I will raise my point of order. In the course of the question period I asked him whether or not he still stood by his categorical statement of April 17 which can be found at page 96 of *Hansard*, to the effect that it is not part of government policy to consider the imposition of an export tax on natural gas.

The reason why I raise this point of order is that in terms of the minister's response he indicated that that is not the position which he now holds. Last night during the late show I asked the same question of the parliamentary secretary who was representing the minister. When I brought the statement of the minister on April 17 and my concern over the subsequent statements made by the minister that the government was considering export taxes on natural gas to the attention of the parliamentary secretary, he told me that I could rely on the word of the minister. Those were his words.

It is not even 24 hours after I received that assurance from the parliamentary secretary, and we now have the minister standing in his place and not only trying to deny that he in fact

said that that was not part of his policy, but today completely reversing himself and swallowing himself. The point of order is in the terms of the ability of this House to rely on the word of a minister who purports to speak on behalf of the government on a very important issue, an extremely important issue.

From what the minister has indicated here, he has perhaps misled the House—and I would not suggest for a moment that it was intentional. The minister has made one statement and his parliamentary secretary reaffirmed, as recently as last night, after ten o'clock, that the minister's word could be taken. We now find that his word cannot be taken.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, to say the least, this is a most strange point of order which the hon. member has raised. I hope that you will allow me to put the record straight and very clear in order to show what the opposition is trying to do with statements which were made in this House.

• (1510)

On April 17, several months ago, the hon. member asked me whether it was government policy to establish an export tax. I indicated at that time that this was not the case; at that time it was not government policy. I indicated today that when government policy is firm and final it would be announced. That is the position. There is no hesitation as to where we stand on this particular issue. If my hon. friend goes back to my statement of April 17, I think it should stand quite clearly.

He attributes a statement by the Parliamentary Secretary to the Minister of State for Science and Technology and Minister of the Environment (Mr. Simmons) in this House last night. I should like to read what the parliamentary secretary said—

Mr. Hnatyshyn: Read the last sentence.

Mr. Lalonde: —as reported in *Hansard* at page 3188, as follows:

When the Minister of Energy, Mines and Resources responded to the question raised by the hon. member for Saskatoon West last April concerning the undertaking that would be required before gas exports could be approved, the minister stated that the government at that time had decided to postpone any action concerning approval of gas exports until a clearer indication was obtained from the United States government than the previous government, led by the right hon. member for Yellowhead (Mr. Clark), had been able to obtain with regard to the United States commitment to the Alaska pipeline project.

It is no surprise that that government got into so much trouble when it was in office. My hon. friend cannot even make the distinction between gas exports generally and a gas export tax. I think the record speaks for itself. My hon. friend should be ashamed of raising the kind of point of order that he has raised.

Mr. Hnatyshyn: Read the last sentence.

Mr. Clark: Read it all.

Order Paper Questions

MR. TAYLOR—STATEMENT MADE BY MR. RAE

Mr. Gordon Taylor (Bow River): On a point of order, Madam Speaker, to keep the record straight in regard to statements just made by the hon. member for Broadview-Greenwood (Mr. Rae), I should like to point out that on May 6, I presented a motion under Standing Order 43 to this House asking for the repeal of the Small Loans Act. On May 14, I questioned the Minister of State for Finance (Mr. Bussières) and later discussed it with him. He said he would be repealing it at the earliest possible time.

I just thought we should keep the record straight.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 545 to 556 inclusive, 865, 944 and 1,039.

I would ask that the remaining questions be allowed to stand.

[*Text*]

LEAP PROGRAM—CANADA WORKS PROGRAM

Question No. 545—**Mr. Orlikow**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the Northwest Territories?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the territories?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 7
   (ii) 76
   (b) (i) 8
   (ii) 115
2. (a) 84 were approved
   (b) 731 persons employed*
   (a) 14 were approved
   (b) 209 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Order Paper Questions

Question No. 546—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the Yukon Territory?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the territory?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 0
   (ii) 0
   (b) (i) 2
   (ii) 6
2. (a) 18 were approved
   (b) 121 persons employed*
   (a) 2 were approved
   (b) 14 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 547—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Ontario?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 44
   (ii) 632
   (b) (i) 56
   (ii) 625
2. (a) 1,011 were approved
   (b) 4,604 persons employed*
   (a) 58 were approved
   (b) 255 persons employed*

*This figure represents number of jobs; actual persons employed may very slightly.

Question No. 548—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Saskatchewan?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 13
   (ii) 122
   (b) (i) 20
   (ii) 293
2. (a) 235 were approved
   (b) 1,517 persons employed*
   (a) 11 were approved
   (b) 358 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 549—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Alberta?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 14
   (ii) 228
   (b) (i) 41
   (ii) 383
2. (a) 154 were approved
   (b) 970 persons employed*
   (a) 5 were approved
   (b) 42 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 550—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Manitoba?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 21
   (ii) 264
   (b) (i) 51
   (ii) 863
2. (a) 248 were approved
   (b) 1,706 persons employed*
   (a) 18 were approved
   (b) 120 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 551—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Quebec?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 32
   (ii) 415
   (b) (i) 52
   (ii) 666

2. (a) 2,070 were approved
   (b) 11,317 persons employed*
   (a) 162 were approved
   (b) 1,025 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 552—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Nova Scotia?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 16
   (ii) 128
   (b) (i) 17
   (ii) 148

2. (a) 370 were approved
   (b) 2,899 persons employed*
   (a) 20 were approved
   (b) 239 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 553—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Newfoundland?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 8
   (ii) 117
   (b) (i) 11
   (ii) 119

2. (a) 411 were approved
   (b) 5,010 persons employed*
   (a) 31 were approved
   (b) 453 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 554—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of Prince Edward Island?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 10
   (ii) 107
   (b) (i) 13
   (ii) 183

2. (a) 115 were approved
   (b) 707 persons employed*
   (a) 134 were approved
   (b) 730 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Question No. 555—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of New Brunswick?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 9
   (ii) 154
   (b) (i) 13
   (ii) 227

2. (a) 493 were approved
   (b) 3,651 persons employed*
   (a) 227 were approved
   (b) 1,723 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

Order Paper Questions

Question No. 556—**Mr. Orlikow:**

1. As of November 15 (a) 1978 (b) 1979, under the LEAP program, how many (i) projects were approved (ii) persons were employed as a result of the program in the province of British Columbia?

2. For the same dates, under the Canada Works program, how many (a) projects were approved (b) persons were employed as a result of the program in the province?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration):

1. (a) (i) 27
(ii) 202
(b) (i) 44
(ii) 335

2. (a) 557 were approved
(b) 2,893 persons employed*
(a) 73 were approved
(b) 332 persons employed*

*This figure represents number of jobs; actual persons employed may vary slightly.

OVER-THE-SIDE SALES

Question No. 865—**Mr. Gass:**

1. Will over-the-side sales be permitted by the government and, if so (a) under what conditions (b) who will receive the benefits of such arrangements (c) will guarantees by the government be part of any such arrangements?

2. Will government officials be involved in the negotiations at public expense and, if so, will the Crown be compensated for its involvement in the negotiations and, if so, by whom?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):

1. Yes.

(a) East coast

"Over-the-side" sales will be permitted in 1980 where potential catches are surplus to the processing and marketing capability of Canadian industry or where no domestic market exists at acceptable economic return to fishermen. The program was initiated at the request of the fishermen, through their representative organizations. We do not permit as part of our general policy "over-the-side" sales arrangements to prejudice the existing markets of the Canadian industry. Preferential treatment is given to countries with which Canada has marketing or other special interests and foreign partners will normally be restricted to countries which do not use the purchases in direct marketing competition with Canadian products. Foreign vessels involved should be from countries which have a bilateral fisheries agreement with Canada. Sales "over-the-side" on the Atlantic coast in 1979 represented approximately one percent of the total landings, and less than 0.7 per cent of total value.

West coast

"Over-the-side" sales will be permitted in 1980 for Pacific hake as this species cannot be delivered to Canadian fishing plants without freezing-at-sea and as only one Canadian freezer trawler is available on the west coast, other Canadian fishermen must have the opportunity to deliver fish using "over-the-side" sales of fish to foreign vessels.

(b) The benefits will be with the fishermen because they have a market for fish at an acceptable economic return which might not otherwise be the case. The British Columbia fishing industry is also directly involved and benefit from "over-the-side" sales on the west coast.

(c) As an extension of the department's commensurate benefits policy, a direct allocation of fish which have not been traditionally fished offshore by Canadians, may be granted in return for firm commitments to provide freezer trawlers for a number of months and purchase fish at predetermined prices.

2. Yes—east coast. No—west coast. The Crown on the east coast will be largely compensated as the harvesting of the direct allocation, as per 1(c), will generate revenues, as an example, in the maritimes arrangement of approximately $125,000 as the foreign vessels will be required to pay all foreign access and fishing fees in accordance with Canadian regulations.

CENSUS 1981

Question No. 944—**Mr. MacKay:**

What is the planned advertising budget for the 1981 census and have advertising firms been selected and, if so, what are their names?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: There is no planned advertising budget for the 1981 census. As a consequence, no firms have been selected to handle paid advertising. There are, however, plans for a public relations program which will in part seek free public service advertising. To assist in the program, four public relations firms have been selected. Contracts are in process for the following values:

Saga Communications Limited, St. John's	$ 18,400
Public and Industrial Relations, Toronto	$324,500
Francis, Williams & Johnson Limited, Calgary	$ 38,300
Wordsnorth Communications Services Limited, Winnipeg	$s38,300

PROMOTIONS IN THE DEPARTMENT OF EXTERNAL AFFAIRS

Question No. 1,039—**Miss MacDonald:**

1. How many foreign service officers in the Department of External Affairs classified as (a) FS-1 (b) FS-2 (c) FS-3 (d) FS-4 were (i) eligible for promotion (ii) promoted in each year 1970 to 1979?

2. In the department, what was the average number of years of experience among those promoted from (a) FS-1 to FS-2 (b) FS-2 to FS-3 (c) FS-3 to FS-4 for each year 1970 to 1979?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Due to a public service requirement to destroy promotion competition records, the Department of External Affairs is only able to provide information on the number of foreign service officers eligible for promotion and actually promoted for the years 1976 to 1979.

Promotion	Eligible Candidates	Promoted
	1976	
FS-1 to FS-2	137	44
FS-2 to FS-3	153	37
FS-3 to FS-4	97	7
FS-4 to FS-5	28	4
	1977	
FS-1 to FS-2	148	38
FS-2 to FS-3	148	38
FS-3 to FS-4	86	8
FS-4 to FS-5	Nil	No promotions
	1978	
FS-1 to FS-2	137	32
FS-2 to FS-3	133	17
FS-3 to FS-4	87	11
FS-4 to FS-5	28	5
	1979	
FS-1 to FS-2	173	17
FS-2 to FS-3	Nil	No promotions
FS-3 to FS-4	Nil	No promotions
FS-4 to FS-5	Nil	No promotions

2. Based on a recently completed human resource study of its foreign service officers, the Department of External Affairs is able to provide information for the years 1974 to 1979 during which the average number of years experience in the government on promotion for career officers is as follows:

	1974	1975	1976
S-1 to FS-2	6 years	5.6 years	5.6 years
S-2 to FS-3	15.4 years	14.6 years	13 years
S-3 to FS-4	25.6 years	23 years	22.8 years
S-4 to FS-5	33 years	29 years	30.6 years
	1977	1978	1979
S-1 to FS-2	4.8 years	5 years	6.3 years
S-2 to FS-3	10 years	12 years	No promotion
S-3 to FS-4	23 years	20 years	No promotion
S-4 to FS-5	No promotion	30.6 years	No promotion

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

PRIVILEGE

MR. BRADLEY—STATEMENT MADE BY MINISTER OF NATIONAL HEALTH AND WELFARE

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I believe that in the discussion between myself and the hon. Minister of National Health and Welfare (Miss Bégin) there is a possibility that she referred to me as being dishonest which, of course, would discredit me in the eyes of my constituents.

Mr. Clark: She laughs at it.

Mr. Bradley: I should like to inform the minister that if she were to read the minutes, she would see that not only was I not dishonest but that I was correct and she was possibly questionable when we were discussing singing "O Canada" prior to those statements.

I should like to inform the minister that I intend to reserve my right to a question of privilege on checking the blues.

GOVERNMENT ORDERS

[*Translation*]

SMALL LOANS ACT

MEASURE TO AMEND

Hon. Pierre Bussières (Minister of State, Finance) moved that Bill C-44, to amend the Small Loans Act and to provide for its appeal and to amend the Criminal Code, be now read the second time and, with consent, referred to Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Blaker in the chair.

[*English*]

Clauses 1 to 10 inclusive agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Blaker): When shall the bill be read the third time. Now?

Mr. Knowles: By leave.

Mr. Bussières moved that the bill be read the third time and do pass.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, In accordance with the agreement I do not propose to debate the motion, but I should like to ask the government

House leader a question with respect to this bill. Now that we are passing it in the House of Commons in the hope that it may soon become law, will the government House leader suggest, or do something else, that the senators come back so that they can pass the bill and it can become law? Surely he will agree with me that for the senators to have gone home until October 15 when this important piece of legislation is before us, is hardly doing their duty.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I am convinced that if the Senate had known we would adopt this bill today they would have stayed. On the other hand, I am sure that they will suffer less, politically, for having left last week than any party on the other side of this House.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I assume from his answer that the government House leader will bring this matter to the attention of the senators. When he does, I would ask him to inform them that he has our complete support and also the support of the man who wished he could be a senator, the hon. member for Winnipeg North Centre (Mr. Knowles)!

Some hon. Members: Hear, hear!

Mr. Knowles: Mr. Speaker, I thought my friend and neighbour on Commanche Drive was really a friend. To suggest that I would like to go to that other place is as unfriendly a thing as he could say!

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

* * *

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed from Monday, July 21, 1980, consideration of the amended motion of the President of the Privy Council (Mr. Pinard):

That, when the House adjourns on the day that this order is adopted, it shall stand adjourned until October 15, 1980, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

Mr. Chris Speyer (Cambridge): Mr. Speaker, during the last few weeks and days many matters of tremendous importance have come before the House. One of the matters which has concerned me is the administration of the law by the ministers upon whom it is imposed. Specifically, I should like to deal with the whole area of discretion exercised by a minister, properly or improperly.

Every minister of the Crown has reposed in him by statute, certain discretions and to varying extents. For example, the Minister of National Revenue (Mr. Rompkey) has the ability to choose the method of prosecution in income tax cases. The Minister of Justice (Mr. Chrétien) has the discretion to determine whether to bring a matter before the Supreme Court of Canada even after all judicial remedies have been exhausted. But nowhere is the discretion wider than that reposed in the minister of immigration.

● (1520)

The Immigration Act sets forth standards to guide in the admission of people into this country. Those standards are rigid, and they need to be, but they are general. There are a certain number of cases in which it is important, however, that we relax those standards. That is the purpose of the discretion. That is the purpose whereby a minister is able to give a ministerial permit. Accordingly, a wide power of discretion is vested with the minister of immigration so that he can relieve or give relief to worthy people who want to come into this country and who are not technically eligible under the act or the regulations.

There is no member in this House who has not pleaded on behalf of a constituent or some other person for the right of that person to be admitted to Canada even though in the circumstances he is technically disqualified. I say to this House that every minister, especially the minister of immigration, has to have a sense of compassion and a sense of humanity to deal with cases which, on their facts, cry out for admission. However, there are certain cases in which a minister abuses that right and abuses that discretion.

There has never been any necessary correlation between, on the one hand, a high degree of intelligence, and on the other, good judgment. How many people in this House have we seen with a high degree of intelligence but no judgment, or a lack of judgment?

The Minister of Employment and Immigration (Mr. Axworthy) in this session has consistently set a pattern which has demonstrated, certainly to me, a lack of capacity to exercise good judgment. When a prime minister looks for a minister, what does he look for? He looks for integrity. He looks for intelligence, and above all he looks for good judgment. As I say, we have some compelling examples which I shall bring before this House which I say to hon. members have rendered ineffective the minister of immigration's functions because of a serious lack of judgment in a number of instances.

It is far too easy to generalize because we all resort to our own sense of prejudices. We have to be specific and draw conclusions from specific instances. No instance is more compelling than the matter which I have drawn to the attention of the House on a couple of occasions, namely, the Calamusa matter. I wish to speak to the facts of this case. I know only certain facts but there are many others which are the duty of the minister of immigration to bring before this House in order

that we can have a proper accounting with respect to immigration policy.

Mr. Calamusa is 38 years of age. He has six children, three of whom were born in Italy. He came to this country in 1968. However, before he came to Canada he had a serious and long record of criminal activity in Italy. So that the record is clear with respect to this matter, the RCMP report which is reposed in the Federal Court of Canada shows that in 1961 Mr. Calamusa was convicted of aggravated theft in Cagliara, Italy. For this offence he was sentenced to a term of one year in prison and fined 12,000 lira. He said in his testimony that he only served a period of three months.

In 1962 in another part of Italy he was convicted of receiving stolen goods. He was sentenced to 15 days in jail, and fined 4,000 lira.

He was accused and acquitted of swindling in October, 1963. In 1965 he was again convicted of aggravated theft and jailed for a period of eight months and fined 10,000 lira, with a notation on the record "penalty remitted".

Mr. Calamusa came into this country illegally in 1968. He was expelled from Canada in 1970 because he was not eligible to be here. He came illegally, and as a result of his criminal record he was deported. However, he was not only deported on one occasion, he has now been deported on five different occasions.

In court terms, if a person disobeys an order of the court, we call that contempt of court. Mr. Calamusa has consistently shown an absolute disregard for the administrative orders that we know as deportation orders.

The last time that Mr. Calamusa was deported after a jail term, which I will refer to later, as a result of a violation of the Immigration Act, he came back here within days, using another name. He has consistently shown contempt for the administration of immigration law.

Far more significant than that is that Calamusa was convicted in 1977 of counterfeiting. He was arrested for counterfeiting in 1975. A bench warrant was issued for his arrest in 1976 by reason of his non-attendance in court; again a form of contempt of court. In 1977 he was picked up by the Metropolitan Toronto police. He was taken into custody, and he was represented by able counsel. At that time he pleaded guilty to possession of counterfeit money. He was sentenced also on an immigration matter and deported to Italy, but he returned to Canada within days.

There is no such offence known to law as just possession of counterfeit money. There is an offence of knowing that you are in possession of counterfeit money. For members in this House who have served in the criminal courts as prosecutors or as defence counsel, one knows that that is a very unique offence. We are not talking about a person who has committed a criminal offence while in Canada in circumstances where, for example, he might have smoked marijuana or where he might have shoplifted or where he might have committed any number of offences, such as impaired driving; we are talking about a person who knowingly had in his possession counterfeit money.

I ask the question where did Mr. Calamusa get the counterfeit money? Does the minister know? Has the minister examined the record completely in this case? We are talking about something in terms of the nature of the offence which is unique. But not only that, we have circumstances where Mr. Calamusa has completely exhausted the legal procedure. After he was apprehended the last time, he was again released on bail. A special inquiry was undertaken. It was one of the most exhaustive inquiries which the Hamilton regional people in the department of immigration had conducted. It lasted about 75 hours. The volumes of transcript are literally as long as your arm. The special inquiry officer decided on all of the evidence that Calamusa, who was again ably represented by distinguished counsel, should be deported.

What did Calamusa do after that? He resorted, as was his right, to the Federal Court of Canada, who turned down his appeal. What did he do after that, I ask? He appealed to the Minister of Employment and Immigration to exercise his discretion. At that time the Conservative government was in power and the minister of immigration was Mr. Atkey. I say thank God that in these horrible and rancid set of circumstances the minister decided that this was not a man worthy to be in this country.

Canada is a magnificent country. It has a relatively small population. Last year we took in just over 100,000 people. There was an exodus of approximately 85 so in my opinion we do not have an immigration problem. Canada is a country that holds out its hands. We are a country of immigrants, all of us. This is a great country and that is why we have so many applications to come to this country, but our immigration policy has to be realistic.

As I have said before, Mr. Speaker, there is no member of the House who would rather see a minister err on the side of compassion or humanity than myself. However, these circumstances are so outrageous that they bring the whole system of discretion into a state of disrepute.

● (1530)

There are many other questions I wish to raise with respect to this matter. After the expulsion order came about, we know that Calamusa was residing in Niagara Falls. There are certain compassionate grounds which the minister said he acted upon. One was the fact that Calamusa had three children who were born in Canada. We know that the special inquiry into Mrs. Calamusa indicated that she left Canada in 1972 and, when she returned with her husband, she herself was the subject of a deportation. I submit that played very little part in the decision.

The other matter which the minister brought to the attention of the press and the House when asked to account for his action was that he stated that one of Calamusa's sons had serious health problems. I checked that out. I went to the the major cities of Italy, whether it be Genoa, Venice or Rome, colitis could be treated as effectively there as in the Sick

Children's Hospital. We know now that in Winnipeg the young Calamusa does not resort to the hospital there, or at least on the evidence he wanted to be close to Sick Children's Hospital for medical attention.

Many other factors rear their heads with respect to this matter. One which interests me is the fact that Mr. Calamusa drove, apparently without appointment, to see the Minister of Employment and Immigration one Saturday morning in June. He drove with his possessions and his family to Winnipeg. There was no phone call. He did not decide to come to Ottawa, but to attend in Winnipeg. He put forward a story which I am sure in his mind was a real plight. In these circumstances the minister answered in this House that he had a certain sense of feeling for the man, and he asked a respected man in the Italian community, Mr. Bova, what he should do in this regard. He also undertook, he said, an investigation with respect to this matter. I hope that discretion was exercised. The following procedure was adopted by the minister, or at least his department.

This family was conveyed by government automobile, limousine-type service, 100 kilometres away to Emerson. What notice was given immigration officials in the United States, as he was being deported from one sovereign country to another? What notice was given to United States officials as to whether they would accept him as a deportee? He was taken across the border for a period no more than five minutes where he was processed. He was then deported, and he and his family were given a ministerial permit to come back into Canada. This limousine service continued, and they were brought back to Winnipeg.

The Leader of the Opposition (Mr. Clark) asked certain germane questions of the minister as to whether this is the standard procedure accorded to every person deported to another country. It offends my sense of intelligence to believe that this is standard procedure. Do you take a person across the border, bring him back and drive him and his family back to where they came from? What representations were made in the meantime that were so compelling?

The minister said that the mayor, or at least the council of Niagara Falls, made certain representations on behalf of this man. I would like to know the nature of those representations. There are certain other people who also made representations, and we will speak more about that later. The point is this. In exercising his discretion the minister established a certain set of criteria. The immigration minister has a certain set of criteria.

The minister exercised his direction even with the flagrant contempt that Calamusa has shown towards the minister's department by returning to Canada, even though Calamusa had committed a serious criminal offence while in Canada illegally. As I mentioned in the House the other day, and the minister did not contradict me, Calamusa is subject to investigation, as are other witnesses. The RCMP are in charge of that investigation which is currently being conducted.

How are we to go back to our constituencies where there are so many worthy cases of people with unblemished records, and tell them that they cannot come into this country? How do we do that?

Let me give by way of contrast a specific case which has occurred during this session. A man by the name of Gunther Seidel, who is now back in Germany, was a constituent of mine. Mr. Seidel did not have an enviable record when in Germany. He had been convicted of assault in 1976 and received a second sentence for carelessly inflicting bodily harm, and was sentenced to ten days in jail. In 1973 he was convicted of theft. He came to Canada with that criminal record. Mr. Seidel was issued permits to work. One time he forgot, he was a day late, and the permit had expired. As a result we had to resort to a ministerial permit.

During the period of time that Mr. Seidel was in Canada, he married a Canadian citizen and they had a child. He was always gainfully employed as a pastry chef. There was no problem there. The only thing was that he was indebted, like many of us here and many other people, to the tune of $18,000. He had never committed a criminal offence while in Canada and had not done anything to disqualify himself. He had married a Canadian citizen and was father of a child born in Canada. When the minister reviewed this matter, he certainly did not show him the compassion that he exhibited in the case of Calamusa.

When we go back to our ridings on Saturday mornings, we see that the bulk of the cases deal with immigration. I cannot speak for all members, but I can probably speak for the hon. member for Spadina (Mr. Stollery) who has consistently taken a deep interest in the whole notion of immigration. Every member of this House is aware of many tear-jerking instances where people ask us to intercede on their behalf. We go to the minister to plead our case. We plead them personally, by mail, and by walking across the floor during question period. We care; everybody cares. However, if this is the way in which discretion is going to be exercised in future, I am going to send all my constituents to the Winnipeg office of Lloyd Axworthy.

I do not want to be misconstrued in terms of the necessity of exercising proper discretion; it is something that must be reposed. My very serious criticism is this: what type of minister, with such a flagrant set of circumstances, would decide in favour of a person who, in my submission, is not worthy of the compassion which the minister says that he extended? The minister's own department said that for very cogent reasons they would not recommend a ministerial permit. What questions do we ask when we hear about this limousine-type of service to Emerson, over the United States border and back? This is a horrible case in terms of the exercise of discretion.

● (1540)

There have been other cases, for example, the Leary case which though not as serious, is an indication of the same type of faulty judgment on the part of the minister of immigration. So I say, Mr. Speaker, that unfortunately, in terms of his track record since February, the minister of immigration, in the very important area of exercising discretion, has fallen upon bad times, if he ever had good discretion in the first place. There is

a nexus between good judgment and discretion. To exercise discretion properly demands good judgment.

Many matters have been raised in the last few weeks pertaining to subjects of great importance. The pipeline has certainly been one of the most pre-eminent topics as it well might be. But I say to this House that we have to keep a keen eye on the type of discretion which is being exercised, not only by the minister of immigration but by those responsible for other departments because the people who have the power to administer our laws are as important as the laws themselves. This is a case where I believe the Minister of Employment and Immigration has done a disservice to the House, a disservice to the Canadian people, and certainly a disservice to himself by such a flagrant misuse of his discretion.

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, today's debate on the adjournment motion reminds me of the remarks made by the hon. member for Saskatoon West (Mr. Hnatyshyn) who, at the outset, was wondering what he was doing in the House on July 21. I suggest several of our colleagues are also wondering what they are doing here. As a matter of fact, ever since our return on Monday, I have had the opportunity to tour various buildings on the Hill, to meet messengers and others servants of the House, and I have come to realize, from what I have seen, that the annual leave of a great many people has been delayed by the stubbornness of the New Democratic Party—need I mention it—to extend this session which has proved most productive in terms of the adopted legislation. I am somewhat puzzled by the attitude of that party which always claims to favour employment and the work force. How can it justify its stand when on the one hand it is supposed to favour workers while at the same time depriving them of a well-deserved vacation?

During this session, Mr. Speaker, we have been dealing with indeed quite a number of bills, and I should like to mention some of them which are considered most significant. Of course all bills are important, but among those passed by the House, I suggest that the bill introduced by the hon. Minister of National Health and Welfare (Miss Bégin) to increase the income supplement for senior citizens is probably the most important, for it has made it possible for them to get assistance on top of their pension.

Unfortunately, however, some provinces, at least one I know about—I do not know what is going on in other Canadian provinces but I know that once again in the province of Quebec, senior citizens will only receive a $15 increase and that the Quebec government will keep part of it, even though the Minister of National Health and Welfare sent a letter to Mr. Lazure explaining that this increase was intended for people in greater need and that the Government of Canada considered that senior citizens needed this $35 increase in the GIS. According to my information, Mr. Speaker, up to now, the situation is still the same, that is they do not actually receive the full amount. This is quite unfortunate for the senior citizens, because the Canadian government had decided that this amount was intended for the people in greater need and it is not being fully paid to them.

An hon. Member: This is PQ piracy!

Mr. Dubois: My colleague here says that it is PQ piracy, Mr. Speaker. That is right on. Each time the Canadian government makes payments to senior citizens, the Quebec government, in this case at least, lays hands on them and deprives the people of part of the money.

During this session, Mr. Speaker, we passed a bill concerning an employment tax credit which was voted by the House, and I was quite surprised to see that only one party was against this bill, namely the NDP. I think that NDP members voted once again against their own interests, because how can they be unaware of the situation? If workers are hired by various employers who benefit from the employment tax credit across Canada, these workers might be members of the CLC, and the wages earned by these workers might accrue to the CLC and indirectly to the NDP, since that party actually gets a very important contribution from the CLC. Therefore they really voted against their interests.

I have seen members of the Progressive Conservative Party during the debate on that legislation make representations, ask for explanations in Committee of the Whole to the Minister of Employment and Immigration (Mr. Axworthy) and later on, when the question was put after they heard explanations from the minister, they voted with the government in support of employment tax credit program. The only party that voted against was the NPD, and I thought they were voting against themselves.

As far as other bills were concerned, Mr. Speaker, this past year, there has been, of course, the veterans' bill that was sponsored by the Minister of Veterans Affairs (Mr. MacDonald). It included substantial amendments granting our veterans very important rights that were lacking under the previous act.

And as stated by the President of the Privy Council (Mr. Pinard), we have seen in this House since April 14, since the opening of this new parliament, 25 pieces of legislation that were introduced and passed, and I feel that this House can boast to all Canadians that we have been very productive. These were significant measures for the well-being of all Canadians, including, of course, the province of Quebec, all Quebeckers. Clearly then, after that period from April 14 until Friday last, that very productive period, hon. members from the Progressive Conservative Party also were in agreement that we should adjourn.

I listened yesterday to the hon. member for Saskatoon West (Mr. Hnatyshyn), who asked what we were doing here. He was referring to the fact that he wanted a few days' holidays,

as a number of other members to go and explain the measures that were enacted in this House to Quebeckers, to Canadians, to people in Saskatchewan, what the purport and the thrust of these measures were, and tell the people in our constituencies what benefits they can expect from these bills. Indeed, several programs were designed for the benefit of the workers. That could be explained. The only party, of course, that would not allow, as I suggested at the outset, the security staff, the pages or the messengers to take a well-deserved holiday, the only party bent on preventing that from occurring is the New Democratic Party who say they require certain guarantees and by the same token question the Congress, decision and President Carter's word.

● (1550)

Mr. Speaker, what conclusion can be drawn from such a situation? Is this normal, given the circumstances, when you look at the situation in which the messengers and other support staff of the House find themselves? I am told there are about 3,000 people working here as members of the House support staff and that probably 1,000 would be deprived of their well-deserved vacation as a result of this systematic blocking or whatever you may call this filibuster by the NDP members.

Is it in fact possible then—and we are praised for that and considered even as being on the workers' side but they are preventing workers from going on vacation. Where is the logic in all that? And they seem happy about it. Mr. Speaker, since April 14, we also had to pass a bill a few days before Canada Day—July 1—on the national anthem "O Canada". I believe it was one of the great moments of the House to see "O Canada" officially adopted as the national anthem of this country, and I remember quite well that on that day, in this House, we sang our national anthem to show that the passing of that bill was really desired by all parties in the House.

Then, Mr. Speaker, in the last days of the session, on July 17 to be more specific, the gas pipeline issue came up followed by the NDP request for guarantees. When we see that the New Democratic Party which is in office in Saskatchewan is against the position taken by the same party here in the House of Commons, we wonder where the logic is in the position taken by the NDP members in the House and we ask what their policy really is. When we refer to the official report in last week's *Hansard* more specifically that for July 17, and when we think of the economic fall-outs in Canada, the revenues could be used to create new jobs and increase productivity, we find that the hon. Minister of Energy, Mines and Resources (Mr. Lalonde) stated, as reported on page 3043:

> According to estimates—

—the pre-build section!

> —will result in direct capital expenditures in Canada of a total of $1.6 billion, the benefits of which would be felt right across the country in terms of jobs and output.

How can a party which claims to be fighting for the workers of this country be against such a project? That is the question all parties in the House except, of course, the New Democratic Party, are asking, for these members are working against themselves and against the workers they say they are proud to represent. I think perhaps they will have to consult Mr. McDermott, the president of the Canadian Labour Congress, to know whether indeed he agrees with them when such investments are made on a national scale. Those people could perhaps help them in the next election campaign so that they can have more money at their disposal. Now they are again voting against them, and thus preventing their financial support from doing its job.

Of course it can be argued also that direct and indirect manpower needs generated by the pre-build and related works could mean 150,000 man-years between 1980 and 1984. What kind of a country can refuse such an investment, such an employment opportunity? I think, Mr. Speaker, it is not possible at this time to refuse that when knowing what guarantees are provided. We read in *Hansard*, page 3053, what the Minister of Energy, Mines and Resources said in this House when answering a question, and I quote:

> I have heard one of my friends in the NDP saying that one Congress does not bind another Congress. He knows, or he should know, that there are only two parties in the United States, and after the election there will be either a Republican majority or a Democrat majority in the Congress. What is interesting in this case is that we have the unanimous consent of both parties in the U.S. Congress and a commitment to see to it that this line is completed by the end of 1985.

Mr. Speaker, as matters now stand it does not make any difference what happens in the United States after November, whether the Republicans or the Democrats are elected, they have unanimously accepted in Congress that the line should be completed before the end of 1985.

Subsequently, Mr. Speaker, the President of the United States wrote to the Prime Minister of Canada (Mr. Trudeau) assuring him that such was the situation. Is the New Democratic Party going to challenge the word of the President of the United States? Many newspapers editorializing on this issue conclude that we have in the House of Commons a party that is challenging the unanimous consent of the Democrats and Republicans in Congress and also the word of the President of the United States.

What sort of logic inhabits those people? I think they are trying to drum up some publicity, but it is turning against them, Mr. Speaker, because much of their credibility is being lost over the situation. Naturally, the west is involved. But what will happen to Quebec and Ontario? Many people have expressed concern over the situation. If we take *Hansard* for July 17, on page 3062 we find the following in reply to a question put by the hon. member for Châteauguay (Mr. Watson). The Minister of Energy, Mines and Resources (Mr. Lalonde) replied, and I quote:

I have already indicated that Quebec and Ontario will share among themselves, simply from that first part of the project, $360 million. In addition, when the entire project is put in motion, Quebec and Ontario will benefit from an additional amount of $1.57 billion, for a total for those two provinces of $1.93 billion.

Mr. Speaker, such are the benefits which the provinces, some eastern provinces like Ontario and Quebec, will derive, an industry in Contrecoeur, which is not far from Sorel, I think it is in the riding of Verchères or Richelieu, was even mentioned. An industry in that area would benefit from a substantial contract to build parts used in the operation of the pipeline. Mr. Speaker, the NDP has taken an unexplainable position. It is unexplainable because of contradictions in their data. This is what the hon. member for Kootenay East-Revelstoke (Mr. Parker) said on page 3063 of *Hansard* on July 17, after saying that he is opposed to the project:

I make that very clear, but I want to ask the minister whether there is any possibility that many of our residents who are not serviced by natural gas can have some of that natural gas for their use.

What can we think about such inconsistency? One day they are against the project and next thing you know they want to use it. What are we to make of such disagreement within their party? I suppose they do not all agree with their position. When I hear so many conflicting statements I think time has come for NDP members to rest. Sometimes the hon. member for Winnipeg North Centre (Mr. Knowles) has to restrain those young backbenchers and tell them to keep quiet and stop yelling in the House because obviously they are getting nervous. So much so in fact that they really need a vacation. They have to rest, evaluate their position and seek to reach agreement among themselves.

When we read about it in the newspapers and especially when we go over *Hansard* on page 3063, I believe they need to hold a caucus not in this House but in their own ridings, and during the recess in order to consider their position and then return to the House to represent adequately the CLC membership from which they get their funds.

Mr. Speaker, when we talk about the type of guarantees—Thank you, Mr. Rae, I see that he is applauding, that he is willing to leave on vacation. Concerning the guarantees they are looking for, last Wednesday during the question period the Leader of the New Democratic Party was asking for guarantees in the House. But when the Minister of Energy, Mines and Resources (Mr. Lalonde) made his statement, the member was not here. He is often absent but on Thursday night he was not here to ask questions. He had passed the buck to one of his members. Maybe he had learned that President Carter had sent a letter of guarantees and knew of the unanimous agreement of the Congress and the position of the Republicans and the Democrats. Mr. Speaker, he was not in the House to comment on the situation. Why? Because had he been here he would have had to accept the government position and hear for himself what guarantees had been offered. Mr. Speaker, I would also like to speak about a memo from the Canadian Construction Association dated July 17, 1980, which all members of Parliament have received. This memo says the following:

TO: ALL MEMBERS OF PARLIAMENT

The 25,000 members of the Canadian Construction Association wholeheartedly support the message that the Pipeline Contractors Association of Canada sent to the Prime Minister, Pierre Elliott Trudeau, to the right hon. Joe Clark, to Mr. Ed Broadbent and to Senator Bud Olson on July 16, 1980, which reads as follows:

I want to put this message on the record.

The Pipeline Contractors Association of Canada believes that pre-building of the southern part of the Alaska highway pipeline should start as soon as possible. This project could stimulate the rather stagnant activities of this sector of the industry and help fight unemployment in Canada. We hope that the Canadian government will authorize quickly the implementation of this project.

(Signed by Gordon R. Hodson, Executive Secretary of PLCAC)

Yours truly,

And it is signed by Mr. R. E. Nuth.

This is a letter sent to us by the Canadian Construction Association, which has its head office here in Ottawa, and which states that 25,000 of its members support the project wholeheartedly. We have here about 30 members of Parliament, Mr. Speaker, who are still in caucus or rather, who are holding a real conclave. They have to rest because they must hold their caucus in the House. This is obvious. They want to hold a meeting to see what they will decide because they know that they are losing the floor, that they will lose their publicity, that things are going badly for them, and they feel that they have to—

An hon. Member: Crocodile tears!

Mr. Dubois: They are certainly going to complain later about the situation. So, Mr. Speaker, I think that in the circumstances I agree with my colleague, the hon. member for Saskatoon West, that it is time to go back to our ridings, to explain the bills to the people to show them the telegrams and notes we received from the Canadian Construction Association which has 25,000 members and to make the NDP realize that they are working against their own interests, against the members of the House who are entitled to their vacations, who are working. Out of 3,000 people 1,000 will have no vacation, as I said, and they are asking us when the House is going to adjourn. Those people have been working all year with us and certainly want to take the vacation they deserve.

Mr. Speaker, in concluding I would urge the New Democratic Party to review seriously their position. They should go back to their ridings to see if they have the support of the people who are going to get some advantages as concerns employment, which would surprise me. Those people should tell them to go back home, to have some rest and to explain their views. To conclude, Mr. Speaker, I wish to say that we should adjourn as soon as possible.

Summer Recess

● (1600)

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, I plan during the next few minutes to discuss some items—three, four, or five depending on the time—of concern to the people of Bow River and I believe also to the people of Canada. The first one is conservation of gas and oil. We hear much discussion about gas and oil, but there has been very little discussion about the conservation of gas and oil.

The other day I had the opportunity of asking the right hon. Prime Minister (Mr. Trudeau) a question about the wastage of gas from pipelines. Some say we have in Canada half a million miles of gas and oil pipelines. Certainly we have well over 200,000 or 300,000 miles of them, and the law requires that they be traversed in some manner at least once every three years. Many companies are traversing these by helicopter or airplane, and unless oil or gas has leaked to the point where it has spread over quite a large area, it is not discernible. The lines are not walked except in a very few cases. Consequently it is very difficult, if not impossible, to estimate the large volumes of gas and oil lost in this country through complete waste, and yet we ask our people to cut down on their mileage and to conserve gas and oil in every way possible, and properly so.

I suggest that the government and the corporations of this country set an example for the people by conserving these very valuable resources to the greatest possible extent. The other day I suggested one means which has come into vogue with regard to finding gas leaks, and that is through the use of dogs. Many people thought it was some sort of joke, but a large gas company in Texas telephoned my office about three or four days later wanting to get particulars of this method of detecting gas leaks. The Lone Star Gas Company has more than 3,300 miles of gas lines in Texas and the U.S.A. It is now in touch with the Avery Kennels to see what can be done in this regard. Wastage is no joke to the Lone Star Gas Company in Texas, and I do not think wastage from the lines in this country should be a joke either.

It has already been proved that dogs are able to find leaks with very little training. As a matter of fact, in 1978 dogs found ten leaks in a 30-mile line in the Redwater area of Alberta which had earlier been checked by helicopter. No leaks were found by helicopter, and then the line was checked by electronic flame packs. No leaks were found, yet the dogs found ten. How many thousands of cubic feet of gas are wasted through not detecting these leaks and not detecting them at an early stage?

Dogs have been able to do tremendous things. A brother of the dogs at the Avery Kennels is now doing narcotics work with the U.S. government. It is spotting narcotics and doing a splendid job, I am told. In Texas two similar dogs are involved with dope detection and doing a splendid job. If we can use our dogs to help conserve a few thousand cubic feet of gas, that would be a very valuable service to this country. We can talk about conservation all we like, but if we ignore some of the wastage which is apparent, then we lose all credibility with the rank and file of the people who are asked to deny themselves in order to conserve gas.

I hope the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Lalonde) are prepared to provide a grant which would allow the continued training and managing of dogs so that we can find out what their capabilities are to more distinct degree. Already there are a number of companies which are interested in this particular phase, but they want to make comparisons with dog detection, electronic flame and helicopter methods of detecting gas. The government has a responsibility to take the lead in providing the means for finding these gas leaks. Trans-Canada PipeLines Limited, Saskatchewan Power Corporation, Alberta Gas TrunkLines, Alberta Government Telephones, B.C. Hydro, West Coast Transmission, Norcin Resources plus some other 19 companies in the United States are interested in using dogs to detect leaks. There is a major need for a comparison study and for charts to guide these companies in the detection of gas leaks. It would require a grant of $70,000 to buy the modern equipment and to acquire the knowledge to work it with trained dogs and handlers.

● (1610)

We could also develop the method using flame ionization equipment as well as with dogs. This system has tremendous possibilities. I ask the government to give some very careful thought to the conserving of gas in this way. I am referring to gas which has already been produced and paid for. It is criminal to see it simply being wasted.

The next point of conservation which I have in mind deals with the carburetors in our cars. There was some brief discussion on this matter. My executive assistant, Joe Williams, and I have carried out some research. We find that in Canada the average mileage for a carburetor is 47.1 miles per gallon. In the U.S.A. the average mileage is 42 miles per gallon, and in Japan it is 62.4 miles per gallon. We all know that the weight of the vehicle, the carburetor and the pollution controls are the factors which determine the mileage, of a carburetor.

There are a number of anomalies which exist in this area. I have seen a much larger car give better mileage than a smaller car with the same pollution controls. It would indicate that in many cases, but not all cases, the carburetor is the answer.

Every once in a while we hear of people who claim to have knowledge of automobile companies buying carburetors from inventors. There are inventors who have claimed that they have invented carburetors which could get 50 miles or 60 miles per gallon. Some years ago while working for the highways department in Alberta, I received a letter from an individual in Montana telling me that he had a carburetor which would get 50 miles to the gallon. I was interested immediately and I wrote back to him. Approximately two weeks later I received an answer, and he informed me that he had sold the invention to one of the large automobile companies in the United States.

If these automobile companies are buying inventions, such as carburetors, which are designed to give better mileage, and not putting them in their cars, then it is criminal conspiracy

against the people of our country. There are also people in Canada who have claimed that they have invented carburetors, sold them, and then heard no more. There is some indication that the large automobile companies want to keep these carburetors and eventually bring them on the market some years down the road. That is not good enough. We are facing shortages. We are today trying to conserve natural gas even though we have a surplus. We are trying to conserve gasoline because we do not have a surplus.

When an automobile company has at its disposal, if indeed they have, carburetors which would double the mileage per gallon of their automobiles and which they are not using, then in my view that is criminal conspiracy. The government should carry out a very careful investigation into this whole matter, and determine whether or not these auto giants are holding these carburetors. If they are, then they should be prosecuted to the limit because they are certainly not acting as good corporate citizens should in the interests of the country.

The department is now doing something along these lines. They are now providing for an average and hoping to get 26.4 miles and 28.8 miles per gallon respectively by 1981 and 1982 in all passenger cars. We must also ask ourselves why it is that Japanese cars can get 62.4 miles to the gallon. Weight is one of the factors, but the carburetors, I think, provide a more complete answer.

The whole matter of conservation of gas and fuel, by whatever means, should be led by the government to encourage our people to conserve. I went into the home of a senior citizen a couple of years ago. It was at the time that the government was asking people to conserve energy. It was a chilly night and the house was cold. The father had a heavy wool sweater on, and his wife was wearing a similar garment, but they were chilly. I asked why their house was so cold. As a matter of fact, I kept my overcoat on. The fellow said, "Well, the government wants us to conserve energy, and we think that we should do our part". They were excellent citizens, trying to co-operate with the government by conserving energy.

When we hear of corporate citizens doing the reverse, it only discredits them in the minds of the people. Conservation is an important item and I do not think that it can be over-emphasized. But let us not put all the emphasis on asking our people to conserve energy before we are willing to do everything within our power to make sure we detect the wastage, whether it be in gas lines, oil lines, carburetors, or the use of the fuel itself.

The second item which I would like to discuss is somewhat agricultural in scope. While we were in government our minister of transport, the hon. member for Vegreville (Mr. Mazankowski), did a tremendous job during the few months he was there. As a matter of fact whenever I talk to farmers throughout western Canada, the name of Mazankowski is symbolic with action, sincerity, and help for the people of the land. Some of the things which the hon. member for Vegreville had done while in that position are still paying dividends. The Minister of Transport (Mr. Pepin), to his credit, is following along the lines in many areas which were initiated by Mr. Mazankowski. He is on the same track in many things, but he has slowed down the train.

The people of western Canada want action with regard to the sale of their grain. They are not getting that action as fast as they would like. More hopper cars are coming, and the hon. member for Vegreville appointed probably the top man in Canada with regard to knowledge of the whole transportation system as it affects farming, Dr. Hugh Horner, to do a study on grain transportation.

I had the pleasure of watching Dr. Horner work in the legislature for many years, and I was always amazed at how he kept himself informed on all aspects. He knows agriculture like a book, and he knows the transportation system. If he is given a free hand he will do wonders for the transportation of our grain. The hon. member for Vegreville predicted a 20 per cent increase in sales. Statistics show that there has already been a 17.6 increase this year and that it will likely go to over 20 per cent if things continue to work well.

● (1620)

I think we should pay tribute to people like the hon. member for Vegreville who worked long hours and dedicated themselves to making sure they did something for the people who really needed help.

Some hon. Members: Hear, hear!

Mr. Taylor: Our farmers need help. Many of them are living below the poverty line. They are not being paid as much as they should be for their grain. I hope the day will soon come when they receive a cost plus price for the crops they raise. Food is an important item, Mr. Speaker, and we cannot expect them to sell for less than it costs to produce, year in and year out. They should have a cost plus margin of profit in order that they may enjoy the good things of this country. We are making progress, and I hope we can do even better in the months ahead.

Branch lines are another matter of vital concern which the hon. member examined in a realistic way. He said, "Where there are elevators or where there is some sense in keeping a line, then we will keep those lines." He made no bones about it, and the farmers are thankful. If the present Minister of Transport were to accept the program outlined by the hon. member for Vegreville he would be on the right track, but if he starts talking about this line, that line, and the other line for some reason being not relevant to moving grain or coal or whatever has to be moved, he will be doing this country a disservice. Where there are elevators on branch lines that the companies are prepared to keep, elevators to which the farmers have been hauling grain for years, those lines should be kept. They are part of our transportation system and are necessary for getting the grain to market. Every extra mile a farmer has to haul his grain adds to the cost of production and the farmer must, of course, increase the cost of his product if he is to make a reasonable living.

I know of one branch line that was declared valid until the year 2000 under the jurisdiction of the hon. member for

Vegreville, but it is now in jeopardy because his recommendation is apparently not being followed. There are active elevators on the line and the farmers want to haul their grain to them. The elevators are surrounded by coulees and it would be difficult for the farmers to go elsewhere, so I would urge the Minister of Transport to look again at that particular branch line abandonment. He would do himself credit if he were to follow the program initiated by his predecessor. If the Liberal party is looking for credibility in the west, this is one way they could get it—by doing what is right, and it is right to keep these lines operative.

Another matter that concerns me is the problem of level crossings, Mr. Speaker. I learned that at a western hearing the Canadian Transport Commission gave the CNR permission to remove a crossing that has been in service for many years. The village council, the elevator companies and the people in the area cannot understand why. The crossing has been there for 30 or 40 or even 50 years, and is still being used. Indeed, it is still required, but the CNR has been given permission to remove it. I have written to the commission asking for the rationale for moving the crossing, as in my view the decision does not make sense. This is the type of thing that brings discredit on the government, when it permits its appointed board to take such actions. Railway crossings should not be removed simply because the company wants them removed. If a crossing is being used it should be kept.

The next item I should like to deal with briefly is the matter of waste. People bring this to my attention at almost every meeting I hold in my constituency. I should like to deal with three or four items—and I do so respectfully, in the hope that it will have some effect on the program followed by the government.

The first item concerns a fishing vessel. This matter was brought to light by the Auditor General, but it is still in limbo. It is a fiasco that the government should take steps to set right. Apparently CIDA decided to carry out additional work on a vessel which it had contracted to build for Argentina in 1973 at a cost of $308,000. But it cost an additional $357,000, making a total cost of $665,000. It was then delivered to Argentina but Argentina would not accept it because it was in terrible condition. In 1976 the government spent another $745,000 on it, bringing the cost up to $1,410,000. It was again presented to Argentina and again Argentina would not accept it as it was not satisfactory. Argentina would not even accept it as a gift, Mr. Speaker. In 1976 CIDA applied to the government and got ministerial approval to spend $3.5 million on another fishing vessel. That second vessel was not acquired but CIDA took $720,000 of the funds allotted for it and spent that money on the first vessel. Now the price of the first vessel was $2.1 million.

An hon. Member: Is this a true story?

Mr. Taylor: This is a true story, Mr. Speaker. Ripley should have been told about it. In 1978 Argentina again refused to accept the vessel—after Canadians had spent $2.1 million on it! It rests in limbo and now the government is apparently considering spending more than $2.1 million so that the vessel can be presented as a gift to a country that apparently needs it. If this is an example of CIDA's activities, then it should be abandoned. It should be held accountable and responsible.

Just today the hon. member for Vancouver Quadra (Mr. Clarke) asked the President of the Privy Council (Mr. Pinard) what was being done to make sure that the extravagance and waste evident in our buildings are curtailed. The minister answered that they were taking steps to appoint a project manager and to do certain other things to keep control and make government accountable. That is fine, but unless we start dealing with some of these items that are bringing discredit on Canada, something is wrong. The government should find out who is responsible. Do they know what they are doing or is some landlubber in charge of building these vessels? The matter should be investigated and whoever is responsible should be severely disciplined.

That is one example of waste that I am sure no member of the government is proud of, and as a Canadian I am not proud of it. We should correct it and make sure that it does not happen again.

● (1630)

Another example is the Calgary airport. I dealt with this subject briefly in question period today. The Calgary airport was started in 1967. As a matter of fact I was employed by the department of highways at the time and negotiated the price for the right-of-way with the Canadian government for the Calgary airport. The land was acquired by 1969 and the federal cheque came to the Alberta government approximately in 1970 or early in 1971. The actual planning started in 1967. The actual construction started in 1974. In spite of that seven-year time span to plan and prepare the plans and get concurrence by everyone involved, construction started only in 1974 and the airport was completed in 1977 and officially opened.

But here is the sad story. We have an excellent airport in Calgary. I am not complaining about the airport. In fact I commend the government for building the airport and having vision for the future in so far as the vision has gone with respect to that airport. What I am complaining about is the lack of planning to the point where alterations and changes are made after a building is under construction. A layman, whether he has ever had a hammer in his hand or not, knows that if plans are changed after tenders are let it will cost additional money. There will be penalties involved, things to change and additional materials to be bought.

What happened with the Calgary airport? In 1974 the plans were ready and the cost was estimated at $21.3 million. The square footage was 452,530. By the time that airport was completed in 1977, the cost had risen from $21.3 million to $75.7 million, an increase of $54.4 million, which is more than twice the original estimated cost. It is an increase of 255 per cent. The square footage had increased from 452,530 to 720,550, or an increase of another 268,020 square feet.

These are typical examples of what I am trying to point out. I know this situation happened in the past and under a Liberal administration, but that is not the point I want to make. My point is that people's money is being wasted. If we had wanted an airport consisting of 720,000 square feet, why was it not planned that way? Why did we not go to the various airline companies before letting tenders. Why did we not get a final plan, let it out to tender, and then stick to it after consulting with all parties involved?

I raise this point for two reasons. First, every year the government is building new buildings, new airports, etc. I say let us make sure that we do not change plans once we get the contract under way. Let us make sure we do all that work before, and present a final plan to the Treasury Board and then have the money allotted based on that amount.

When I served on the public accounts committee last year I was amazed to hear civil servants, when they were trying to explain this type of thing, say that to alleviate the problem we will have project managers. Project managers have not suddenly been manufactured or invented. In Alberta we had project managers oversee the building of highways in 1950 and in 1960. It was nothing new. The provinces used project managers to oversee construction of public buildings. So I ask why has it taken so long for the federal department to have someone on the job responsible for the construction of buildings? Although I am not a member of the public accounts committee this year, when I was a member last year I asked what happened to the man in charge and there was no answer from the civil servants. Someone suggested he was promoted and got an increase in pay. I do not know whether he did or not, but he should have been fired, and he should have been held responsible and accountable. I do not think it is right to simply pass these costs on to the people and just let it go at that. It is the people's money and we, as members of Parliament, are responsible for that.

I have another example of high level spending. When the hon. member for Leeds-Grenville (Mr. Cossitt) raised the point a few weeks ago in this House about a representative of Canada getting lavish living accommodation abroad, it amazed me. This accommodation was reported to be costing $98,400 per year. The parliamentary secretary to the minister thought that was quite a joke. She wanted to know whether the hon. member thought a representative of Canada should live in a tumbledown shack. I say we do not want the admiral to live in a tumbledown shack, but we do not want him to be living extravagantly either.

When I became a school teacher and went into a new district there was a depression on and at that time I was on the negotiating committee for the teachers. One of the first things I told the school board was that the negotiating committee should not live above the standard of the people in our region. In other words, we should not have a higher standard of living than that of the boys and girls we were teaching. The school board agreed, and there was no difficulty in reaching an agreement on a fair salary for that time. It was not very much in those days. It was $750 a year, but it was a fair salary in the light of all conditions.

This admiral should not be living high and mighty above everybody else. An expenditure of $98,000 does not make sense. There are hundreds of people in this country who are not living in shacks but are living in homes they have worked on and improved. I am thinking of the renters, but these people are not renting at this high price. I was shocked at the minister for condoning this type of thing. That is the most serious part of the whole affair. Our civil servants should not be living high above the average of other Canadians. Certainly we want them to live well. They hold important jobs and are important people. But let us not go completely out of line by paying almost $100,000 a year for living quarters in addition to all the other expenses. In my view that is another example of waste.

There is one other item about which many people may not agree. Nevertheless, it bothered me when I read the report which came out the other day. It indicated that we are spending something like $5,000 a day on entertainment in the House of Commons on booze. I think that is going very far. I realize a drink might be nice for those who want to have a drink at social events, but $5,000 a day on the average, or $2 million a year on booze, is going too far.

Again, Mr. Speaker, I think we should get some accountability and respectability to the people. Thousands of Canadians like a drink and do not mind their members of Parliament having a drink, but they object very seriously to this kind of public money being spent on something that is completely unnecessary. That is the sad story of waste which I wanted to bring to the attention of this House.

When the parliamentary secretary supported the extravagance, she said that they realized neither a shack nor a lean-to were suitable accommodation for a man who represents the finest forces in the world. Neither the hon. member for Leeds-Grenville, nor anyone in this House was suggesting that this admiral should have a lean-to or a shack. We want him to live in good accommodation but not at $100,000 a year at the taxpayers' expense.

The next point I would like to raise is the matter of the two languages. We live in a country founded by two peoples, and the language to each is important. I do not find people in western Canada anti-French, anti-Polish, or anti-Hungarian. Our people come from almost every country of the world. I have a cosmopolitan population in my riding. What people object to are the inequalities which come out of these two languages.

I commend the government for what has happened in Alberta with regard to the two languages. Out of the 17 senior executive positions in Alberta, not one is required to be bilingual. That is proper because it is not necessary. We have a comparatively large number of people who speak French, fine people, but they also speak English. There is no need for both languages in that province. Of all the Canadians I know of French origin, I do not know one who does not handle English as well as I do, and many of them far better. Therefore there is no need to have the positions in Alberta calling for bilingual

qualifications. That means that everyone in Alberta, of whatever origin or language, can apply for these positions.

● (1640)

Where the inequality comes is that many senior positions in the federal government are designated as bilingual. That is where many English-speaking people feel they are being discriminated against. They feel there is no opportunity for them to ever get to those positions. I know that some positions must be bilingual, and I agree with that. However, I suggest to the government that if we are going to be equal on both sides, it should review the bilingual positions in the federal government in the capital area with a view to seeing whether it is essential that each of those be filled by someone who speaks and reads French as well as English. If that is the case, it immediately disqualifies hundreds of good Canadians who speak English well, but not French. If it is essential, I do not think they can carry the judgment of our people anywhere. If it is not completely essential, we build up an inequality that helps to build up this wall between the peoples of the two languages.

One other item I wish to discuss is the teaching of language by the Public Service Commission. I have the 1977-78 figures. At that time $40 million was spent on language training, $6 million in the armed forces and $9.8 million, totalling $56 million spent on language training. There were 18,426 people who took lessons in the other language. Twenty per cent of these were English taking lessons in French and 80 per cent were Canadians of French or other origin taking lessons in English; 3,600 and 14,700, 18,000 altogether. I do not know how many of those people completed the course to the point where they could handle the language.

In teaching school I found that if I did not stop every once in a while and review what was going on, I did not know whether I was being successful or not. I suggest that the Commissioner of Languages is an excellent commissioner, a very fair-minded man who is doing a good job for the administration. If the government would give him authority to review this whole matter we could eliminate these small sections of dissatisfaction and inequalities that may be bothering some Canadians of French, English or some other origin.

I see, Mr. Speaker, that you are giving me the sign that my time is up. Two minutes? Fine. I want to deal with one other item, that of freight. This is of very deep concern throughout western Canada. In Alberta we pay the apex of freight rates, right at the very top. Manitoba and Saskatchewan are not quite as bad, but almost.

The other day a farmer said to me, "When I ship wool east I pay freight on that; when I buy back the finished product, I also pay the freight." At the western economic conference, and I wish I had another half hour to go into that, the Prime Minister promised that something would be done about freight rates. So far nothing has been done. I ask the government and the Minister of Transport to give the matter of freight rates top priority if they want to build up some credibility in western Canada.

Some hon. Members: Hear, hear!

BUSINESS OF THE HOUSE

Mr. Pinard: On a point of order, Mr. Speaker, there have been some further consultations among House leaders of the different parties in this House. I am glad to report that we have come to some agreement on a House order that would read as follows, if there is unanimous consent of this House:

That at 5 p.m. this day the member for Vancouver-Kingsway shall propose a motion, without notice, relating to the conditions respecting the proposed summer adjournment of the House;

That during consideration of this motion no member shall speak for more than 20 minutes;

That no later than 12 midnight the Speaker shall interrupt the proceedings before the House and shall put forthwith and successively all questions necessary for the disposal of the said motion without further debate or amendment; and

That, if the motion is negatived, government order (government business) No. 17 shall be called and the motion relating thereto shall be put and disposed of immediately without further debate or amendment;

Provided that, for the purposes of this order, on July 22, 1980, there shall be no private members' hour this day and the provisions of Standing Order 6(3) shall be suspended.

Mr. Baker (Nepean-Carleton): Mr. Speaker, it has been an interesting period for all of us. You will recall that when the period began, there was going to be general debate. We were going to sit here until the cows came home. Now the NDP have decided that they want to go home.

It has been an extraordinary day with four House leaders' meetings and three caucus meetings. We have worn out the rug in the office of the President of the Privy Council. I am delighted to consent to this motion if for no other reason than to relieve the NDP of the terrible trauma in which they find themselves, as they so often do, on both sides of the issue at the same time. Now they can be tested, so we consent.

Mr. Knowles: Mr. Speaker, I should like to thank my friend, the hon. member for Nepean-Carleton, for the compliment he has extended to me and to my colleagues, for surely he would not have said what he did if he thought we were easily provoked. As he knows, we are an even-tempered group of men and women. We are quite used to these taunts and so on. If it were not for that, he knows that the things he just said could result in someone saying "No" and then the agreement we have reached would be off. Incidentally, I make no charge for that little lecture to my hon. friend.

We have had an interesting day. It is one of the few days I remember where we had four House leaders' meetings in the same day, plus various caucus meetings and so on, but we have arrived at an agreement among us. I think we understand all of the details of it. We are prepared to go along with this proposition.

The hon. member for Vancouver-Kingsway is here, and if this proposition is agreed to, perhaps we could start right away rather then waiting until five o'clock. My friend will be making the motion and the speeches will continue. It is understood that no one will speak for more than 20 minutes. We will take the break from six to eight for the usual dinner time, but at twelve o'clock midnight the debate will be interrupted for a vote on what we think is a very important motion.

We would rather have had something more significant such as a bill from the government, but at least this compromise gives the House a chance to vote on whether the government should proceed with the building of the so-called pre-build before it gets certain guarantees. As I say, in the eyes of someone not as mild-mannered as I am, that speech might have been provocative. But I refuse to be provoked.

● (1650)

Some hon. Members: Hear, hear!

Mr. Knowles: We have reached an agreement and we are prepared to go along with it. And if anyone accuses me of speaking for a minute or two now in order that my hon. friend from Vancouver-Kingsway can catch his breath, since he has just come over from the Confederation Building, it is an accusation I am quite prepared to accept. We agree to this proposal. We hope the five-hour debate which is to take place on the motion to be put by the hon. member for Vancouver-Kingsway will be an important debate in this House, and we look forward to seeing how the members of the various parties vote at midnight tonight.

Mr. Baker (Nepean-Carleton): Just one point, Mr. Speaker. The hon. member was obviously asking for consent to begin now, somewhat before five o'clock—that we should call it five o'clock for the purpose of this order. We would, naturally, consent. I believe the hon. member for Vancouver-Kingsway has caught his breath now and is ready to proceed.

[*Translation*]

Mr. Pinard: Mr. Speaker, as there is unanimous consent, I understand that the order of the House which I read earlier is now in force. I congratulate the opposition parties for having reached an agreement.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. I think I should seek consent from the House, by way of formality. The Chair takes it as implicit that the debate on the adjournment motion at ten o'clock this evening will not be called.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): In that case, hon. members have heard the proposition put forward by the President of the Privy Council. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

Northern Gas Pipeline

NORTHERN PIPELINES

SUGGESTION GAS SWAPS BE CONDITION FOR PROCEEDING WITH PRE-BUILD PORTION OF ALASKA GAS PIPELINE

Mr. Ian Waddell (Vancouver-Kingsway) moved:

That before the House adjourns for a summer recess, the House calls on the government to declare that it will not proceed with the construction of the pre-build portion of the northern gas pipeline until complete financial guarantees for the whole pipeline have been obtained and an agreement has been reached between the government of Canada and the government of the United States that the Canadian gas exported through the southern portion of the proposed pipeline will be replaced by Alaska gas at an equivalent price.

He said: Mr. Speaker, I really do not need time in which to catch my breath. I have not really lost it, although I know some people across the way would like me to lose it.

I am very pleased to move this motion and, in effect, to continue our discussion. We have already been debating this matter for some time. I am also pleased to say that we in the NDP have decided to end the debate with this motion, to deal with this very important issue and to state our position very clearly. We have stated our position before. We have been stating it all last week. Indeed, I have been raising this issue in this House ever since April 17, namely, that we in the New Democratic Party believe this pre-build should not go ahead unless Canada is guaranteed that later on there will be gas swaps of amounts equal to the gas we sell now at approximately equivalent prices, along with guarantees, ironclad, signed, sealed and delivered, that the whole pipeline will go ahead. That is the position of the New Democratic Party. We don't go this way or that way. It is solid.

Some hon. Members: Hear, hear!

Mr. Waddell: I have been told that I am a grinch. I have been told I have delayed the summer holidays, that I have hurt members' children and all that. Mr. Speaker, had this party not pushed for a debate and kept Parliament here, the Canadian people would never have been able to understand clearly just what the government is doing. We are prepared to have every one of our members speak on this issue. But there is a better way of doing things. The better and more practical way is to make our point clearly, as we have been doing all along in this debate in the last few days, to make it strongly and, further, to make clear by our votes exactly where we stand. I might say I am proud of my colleagues, proud of what they have done in connection with this matter.

We often heard it said by members of the Liberal party during the election, in pamphlets and so on, that they are Canadian nationalists, that they are concerned about this country. But it is all talk and no action. The issues as I see them today are very clear. I see an hon. member shaking his finger at me as I say this. The main issue is that the Liberal party is gambling with the future of this country in going ahead with this pre-build. Hon. members on the other side obviously do not see this, but I believe the jury in the country is beginning to understand what is really at stake and just what the Liberal government has done.

The government and its supporters are gambling three ways. First of all, they are gambling with our energy security. The hon. member for Hamilton Mountain (Mr. Deans), in an eloquent speech last night, showed just how important this is to us as the basis of our future prosperity. But what does the government propose to do? It intends to sell it out to the Americans—to use a phrase favoured by the minister when he was opposition critic—at bargain-basement prices so that people in southern California can continue to use air conditioners.

The second gamble the government is taking is this: it is gambling with Canada's sovereignty.

The third gamble it is taking is with the rights of Parliament. There is a pattern to this, and I believe the country is beginning to see it even though we are only in the first session of the Thirty-second Parliament and it has not lasted very long. They saw the Minister of Finance (Mr. MacEachen) sneak in a mini-budget a few months ago. They saw the minister of energy sneak in a gasoline price increase. They saw the government try to sneak in a pre-build of the largest privately financed construction project in history—to sneak it through Parliament in the dying days of the session, to have it rubber-stamped by a senator, to have it considered by the cabinet behind closed doors, followed by a quick order in council and an Alice-in-Wonderland-proceedings before the National Energy Board. They tried to sneak it through Parliament, but we in the NDP will not permit that.

Some hon. Members: Hear, hear!

Mr. Waddell: This is a high stakes poker game, as my hon. friend from Regina will appreciate. I said the government was gambling with our energy security. They are proposing to export Canadian gas to the United States—not to transport 3.2 trillion feet of Alaskan gas but to export Canadian gas. We say it should have been kept here for use in this country. It is said that we in the NDP are not positive, that all we do is criticize. No. We say it could be banked. Today my hon. friend from Yorkton-Melville asked a question in French. He asked whether the minister had considered Quebec and Ontario and the federal government getting together and saying, "Instead of shipping that gas out we will bank it in Alberta and save it for Canadian consumers." During the debate last night two backbenchers heckled and criticized us. I found it absolutely incredible, since both of them were from ridings in Quebec that have over 15 per cent unemployment and are not connected up to Canadian natural gas. Because of this decision I predict they will probably never get Canadian gas and will have to rely on expensive power. It is incredible the Liberal party cannot see through that.

● (1700)

Instead of exporting gas to the United States, instead of selling it out, we could have extended the pipeline to the maritimes. I know there are maritimers in the jury I spoke about out in the country. I think they want Canadian gas in the maritimes so that they can get off expensive oil. It makes sense to them, but it may not make sense to the government. The people in my part of the country and in the other parts of the country from where my colleagues come, such as Vancouver Island, rely on expensive imported oil. They would like to have Canadian gas as well. They will not get it soon, if the government does not build a pipeline. The government goes north-south instead of east-west. In our view that is a bad mistake.

It is clear that the government is relying on the energy figures of the National Energy Board. Can we really rely on the figures of the National Energy Board, considering that they are supplied by the oil and gas companies, most of which are not Canadian companies but multinational ones? In September, 1970, the Canadian government, on the advice of the National Energy Board, approved the largest natural gas deal in this country's history. Canada agreed to sell 6.3 trillion cubic feet of gas to the United States, and it got $2 billion over the course of the contract. Today that gas is worth $25.2 billion, so Canada lost approximately $23 billion for that sell-out.

As a matter of fact, the oil and gas companies told the Canadian government in 1973 that we had enough oil to last 80 years and enough natural gas to last over 100 years. Acting on this information, the government allowed the sale of three billion barrels of oil between 1974 and 1978, and another three trillion cubic feet of natural gas. Less than a year later the industry returned to the Board and claimed that in eight years Canada would not be able to meet its own needs and therefore the industry needed massive tax cuts to find more oil. So, they told the Board one thing, then came back and told them something else. At the risk of sounding repetitive, let me say that a country must be rather silly to make a mistake once, but it must be crazy to make the same mistake a second time.

The hon. member for Oshawa (Mr. Broadbent) asked the minister various questions. He asked, "Why not gas swaps? If we are to sell this gas now, then require them to give equal amounts later on." The minister said that it was technically impossible. The minister has not stood up and told us why we cannot have gas swaps. In fact no front bench Liberal, no cabinet minister, none of the big boys or the heavy guns, have stood up and told us why we cannot have gas swaps. They have not even taken part in this debate. That is what they think of Parliament and the Canadian public.

We asked for assurances from the United States. When the minister was in opposition he asked for ironclad commitments and assurances. There has been a little debate in the country in the last week about those assurances. I want to say what I think Canadians think about these assurances. They do not think they are worth the paper on which they are written. One can even be objective in that and say that one congress does not bind another congress, that President Carter does not bind the future president. The point is that it is not binding at all; there is no deal there at all.

We in this party tried to raise in the context of the debate last week and this week that there is a pattern of assurances in our dealings with the United States. Some of my colleagues

have raised this matter. The United States is our great neighbour and friend, but in the last few years there has been a pattern. The question is: can we really take these assurances as being there? We can look at what happened to the assurances respecting fisheries, the auto pact, acid rain and the action on acid rain. The point is that we are not getting anywhere. We had a trump card, we had an ace in our poker hand. What did we do? We went down there and threw it away by allowing the pre-build. We could have postponed the pre-build for at least one year, said that we wanted swaps and adequate assurances, and then we could have dealt with the new administration, whichever it is, in the new Congress. I submit we could have had that, but the government gambled that the whole line would be built. I do not think it is a gamble worth taking. It is a reckless gamble.

The government gambled with Parliament. Section 20(4) is not very complicated. Perhaps I sound like the Prime Minister (Mr. Trudeau) or some Philadelphia lawyer in saying this, but really that section is quite simple. Parliament authorized the Northern Pipeline Act. It talked about a pipeline bringing gas from Alaska to the lower forty-eight. The government did not come back to Parliament, but it brought in an order in council which did not require a vote or any debate; it just made an announcement. We were the ones who forced the debate. The government was not going to have a debate. By order in council, rubber stamped by the National Energy Board, the government brought in a complete change. It talked about a smaller pipeline exporting Canadian gas to American markets. Last year or the year before, the present Minister of Finance said in the House of Commons that they would consult the House in every part of this act. Numerous ministers, including the President of the Privy Council (Mr. Pinard), before the Standing Committee on Northern Pipelines, said that it was the total pipeline, the whole pipeline.

One could cite chapter and verse, not to mention the fact that the Secretary of State for External Affairs (Mr. MacGuigan), when he was writing committee reports for the government, said that they should not bring in legislation like this, that they should not do things like this, and that it was wrong for Parliament. I am a new and young member of Parliament, as are many of my colleagues, and do not have a great deal of parliamentary experience.

Except for the hon. member for Winnipeg North Centre (Mr. Knowles) and a few other members, I do not really see any great concern in the House any more for the rights of Parliament. Maybe that is something in the past about which no one really cares. I care about it because Parliament is the last bastion of freedom. This is it, this is democracy, this is the bottom line. If we go around this, there is nowhere else to go. I see a member putting his head down. I do not think it is funny. I think it is important and I think the jury out there in the country thinks it is important too. I would bet on that.

Various telegrams have been sent. During the debate last night the minister and other members pulled out some of these telegrams. I looked at the telegrams as well, the ones orchestrated by Senator Olson. I say shame on the Liberal party that it has to have a man who does not represent anyone, basically, because he cannot get elected, conduct this whole deal.

Mr. MacDonald: He was elected.

Mr. Waddell: I am not saying anything against his personality or the man himself, but he does not represent anyone. He and Mitchell Sharp, the other sore in the continentalist wing of the Liberal party, negotiated this deal.

● (1710)

An hon. Member: Liberal fossils.

Mr. Waddell: They negotiated this deal with the Americans, and it is a bad deal. We get telegrams, but the telegrams are not from real people; they are from the Premier of Alberta and a few construction associations. There has been nothing from the province of British Columbia.

We have heard nothing from the 16 Conservative members from British Columbia. Where do they stand on this pre-build? They are hiding. We hear nothing from B.C. We have heard nothing from the other western provinces. We have heard only from Alberta, some construction associations and a few unions, but not many. I have telegrams too. I have a telegram from the president of the Canadian Labour Congress, Dennis McDermott, who says that he stands by this. He sees no need in going into the pre-build without those assurances and without swaps. We have telegrams from the auto workers, 140,000 strong, saying "stand up" and "we encourage you to stand up and debate this and not to allow this."

There are telegrams from business associations, and I even received calls from small gas producers, believe it or not, who said that they would not benefit from this but that the big boys would. They said pro rationing should be brought in because they will not benefit from this.

I have a telegram from the city council of Toronto. By a vote of 15 to five the Toronto city council agreed that a cable should be sent to the Prime Minister requesting a full parliamentary debate on the pipeline pre-build at the earliest opportunity and that cables be sent to the leaders of the other two federal parties advising them of this action. The city council of Toronto passed that resolution by a vote of 15 to five because it is concerned. Why is it concerned? It is concerned because the people of Toronto know that as a result of this decision to go ahead and sell out this gas they will have to pay more for gas in the future. It is as simple as that, and that is why they are concerned.

I have also received other telegrams, and I want to read just one because I think it is important. As a young member in Ottawa I have found that we get lots of material from lobby groups. We are approached by lobby groups which are well heeled and well represented. We very seldom hear from little people, consumers or ordinary people. It is very hard for them to have that kind of organized representation in Ottawa. Of course that is the role of a member of Parliament, but the following is a telegram I received from Oakville:

I and in particular my young children appreciate your gallant effort in regard to the Liberal and Conservative natural gas resource sell-out.

Some hon. Members: Oh, oh!

Mr. Waddell: Hon. members can laugh if they think this is funny.

We feel it is a disgrace. Be assured of our continued full support for your stand and from now on for the NDP.

There are many points to be made in the debate. I listened to hon. members opposite speak last night with some attention and care.

The Acting Speaker (Mr. Blaker): Order please. I apologize to the hon. member for Vancouver-Kingsway (Mr. Waddell). I miscalculated the time in my own mind, and the 20 minutes accorded to him under the proposal put by the President of the Privy Council (Mr. Pinard) have now expired. I presume hon. members would want the Chair to hold firmly to the 20-minute rule so that as many members as possible can enter the debate this evening. Since the fault was that of the Chair, I will accord one minute—not more—to the hon. member for Vancouver-Kingsway to wrap up.

Mr. Waddell: Mr. Speaker, I think the points have been made and will be made further in the debate. As I said, I am proud and pleased that we in this corner have forced this debate, and we are prepared to vote.

Canada is a northern country, and energy is the key to our survival. The matter goes more than just to air conditioners or whatever. It is a matter of our survival as a northern country, and we do not hesitate a moment to stand up, to talk about this gamble and say that the Canadian government should not gamble with the future of this country.

We believe—and I think the hon. member for Winnipeg North Centre would quote from the Bible—that we must dream dreams and see visions about this country, and our vision is that of an energy-secure country and not a country the future of which the government gambles. That is why we propose this motion today.

Some hon. Members: Hear, hear!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I listened with interest to the introduction of the motion by the hon. member for Vancouver-Kingsway (Mr. Waddell). I know his area well because I am from Vancouver, as the hon. member is, and I am pleased to say that there was at least one sentence in his introduction with which I could agree, and that was the commitment of his party—as indeed of the government—to energy self-sufficiency. I think perhaps the hon. member had in mind oil self-sufficiency, since we have already achieved energy self-sufficiency in a broad sense, but we are committed to achieving oil self-sufficiency as well.

In other respects, I had difficulty following the statement of the hon. member in introducing his motion. He seemed to be eager to include in his remarks every possible allegation and distortion about the government's energy policy, and in particular about the reasons for the decision to proceed with the pre-build of the pipeline. I fear that it would take me more than the 20 minutes available to respond to his curious potpourri of allegations and distortions. However, let me, for a moment at least, say a word about one or two.

The hon. member alleged that the government is gambling with our sovereignty. He did not in any way substantiate that statement. In one sentence he said that the government is gambling with Canada's sovereignty. What does he mean? He made a statement and left it. There is no evidence whatever in the decision to proceed with the pre-build of the pipeline of any gambling with sovereignty or any sell-out. There is no evidence of that, and the hon. member could not substantiate his statement.

Speaking of allegedly devious acts by the government, he referred to a "sneak-in" of the Syncrude levy. If the hon. member had taken the time to look at the legislation governing the Syncrude levy, he would have seen that there is a formula which is followed and which relates the price paid to the Syncrude producers to world price levels. The other night when the minister introduced his ways and means motion in that regard, the government was simply continuing a practice which the House had accepted and which has been in place for several years.

The hon. member spoke of the need for more use of natural gas in Canada. That is a program which the government has been active in pursuing. The program includes the construction of a natural gas pipeline from Montreal to Quebec City which the minister recently announced. There is also a very real interest on the part of the government in overcoming the environmental problems which have, I trust, only temporarily delayed the construction of the pipeline into the maritimes.

The hon. member opposite noted his misgivings about National Energy Board estimates. I find that to be a curious statement on his part because, when NEB estimates substantiate his point of view, he is only too ready to use them. However, on this occasion we find that they are supposedly unsubstantiated and unreliable.

● (1720)

Finally, in his introduction the hon. member opposite referred to a series of letters or telegrams which the government and opposition parties have received on the subject of the pre-build, a question to which I would like to return in a few minutes. However, I do find it odd that we are not supposed to accept the Premier of Alberta as a "real person", that we are not to accept the views of the industry and of trade unions, that we are not to accept the views of university people or any range of Canadians as being in support of this decision, but rather that we are only to accept those who the hon. member says have been in contact with him.

The fact is that the government has decided to proceed with the southern section of the whole Alaska highway natural gas pipeline. The decision was taken to make the whole integrated pipeline possible, and it was taken to spread the construction costs and the demands which the construction will make on the

skilled manpower and other resources of this country over a longer period, a period when there will not be so much competition with other massive energy projects which lie immediately ahead for Canada.

Hon. members noted of course that yesterday the National Energy Board, subsequent to the government's decision, decided that the Foothills company has met the financing requirements under the Northern Pipeline Act. The decision to move ahead with the pre-build of the pipeline was not an easy decision. We have recognized, particularly the ministers involved most directly in the decision, that there are risks, but weighed against the substantial economic benefits which are inherent in the decision to proceed with the construction of the southern section of the total pipeline, those risks seem to us well worth the taking.

The Prime Minister (Mr. Trudeau) referred to the decision as a "judgment call". Indeed it is a judgment call in the sense that a wide variety of benefits and factors had to be weighed. But to govern is to decide, and the government has decided. I, therefore, find it particularly odd that the hon. member for Vancouver-Kingsway would accuse the government of being all talk and no action. The fact is that the present government has taken action and made its decision, but apparently not to the liking of the hon. member opposite.

I think, through the discussions of the past week, that the benefits to Canadians of the pre-build of the southern portion of the pipeline have become evident. It is known, for example, that Canada will benefit through the construction of this pipeline section which will cost over $600 million. Perhaps more important, 90 per cent of that expenditure will be made in Canada. Indeed, 100 per cent of the expenditure on the pipe as such will be made here at home. Approximately 2,100 man-years of employment will be provided directly through the construction of the pre-build section. Moreover, it has been estimated that 150,000 man-years will be provided directly and indirectly over the period from 1980 to 1984 from the capital expenditures of $1.6 billion required to pre-build the pipeline and instal the necessary production and gathering equipment to support that section of the pipeline.

As I say, it must be evident by now to all Canadians that the benefits of the decision which the government has made and the subsequent conclusion of the National Energy Board to authorize proceeding with the pipeline will bring benefits to all Canadians. The geographic impact has been estimated. The benefits to British Columbia, for example, will be of the magnitude of $70 million; Alberta, $650 million; Saskatchewan and Manitoba together, $360 million; and Ontario and Quebec another $360 million.

Mr. Benjamin: That is what Foothills says.

Mr. MacLaren: However, as the spokesman for the party opposite, noted, many of the benefits flow toward those Canadian-owned gas companies, many of which are smaller in size, which can benefit enormously from this opportunity to expand their operations, to promote their further exploration of gas and to help provide yet further gas supplies to Canadians in the future. In terms of these benefits it must be evident to the House and to Canadians everywhere, as it is to the minister of energy of Alberta or the minister of energy of Saskatchewan, that the impact on our economy and on the future of Canada will be great.

The minister of energy of Alberta and the minister of energy of Saskatchewan have joined in the general support which has manifested itself across Canada in the last days and in the previous weeks for the pipeline decision. The member opposite referred to telegrams and letters which he and his colleagues have received, evidently in opposition to the decision. I would gladly offer the hon. member opposite, if he is interested, the opportunity to see the very large number of telegrams and letters from Canadians everywhere which we on this side of the House have received in support of the decision.

Of course, we might well recognize that the industry, with its participation and knowledge of the opportunities involved, would support the project, but I would willingly offer the hon. member opposite the opportunity to look at the correspondence which has been received from the United Steel Workers, the International Union of Operating Engineers or the International Brotherhood of Teamsters, if he feels that this correspondence which we have received is one-sided or distorted in nature. In fact there has been a broad range of support across the country which has emanated from all sectors of our economy and our society.

There have been some misgivings expressed during the course of this discussion by our colleagues in the New Democratic Party about the forecasts of the National Energy Board, apparently so as to substantiate their fears that in taking this decision the Canadian government will somehow deny future generations adequate access to our own natural gas. The facts of course are somewhat different from such allegation. We have in Canada today a situation where almost twice as much new gas is being discovered annually than is being consumed and exported. We have more natural gas today than we had in the 1970s. For example, from 1977 till today the volume of Canadian gas surplus has risen from an estimated 800 billion cubic feet to a current estimate of 4.5 trillion cubic feet.

Mr. Benjamin: It is not a surplus.

Mr. MacLaren: Yesterday my colleague, the hon. member for Gloucester (Mr. Breau), set forth at some length the three tests which the National Energy Board applies before exports are approved. He drew the attention of the House to the current deliverability test, the current reserve test and the future deliverability test.

● (1730)

It is not my intention to provide details of those three tests to the House again as the details are in *Hansard*. They do, however, test the conclusion of the National Energy Board that ample reserves are available to provide the export opportunity of which Canada is now availing itself.

There has also been some discussion about the guarantees which our neighbours to the south have provided. In the minds

of our friends in the New Democratic Party those guarantees are apparently inadequate. I would draw the attention of the House, as other members have, to the unanimous resolutions of the United States Senate and of the United States House of Representatives which, together, have formed a commitment to the completion of the total pipeline. This embraces both political parties in the United States and should assure any who fear, in the months before a U.S. election, that a change of the U.S. presidency might result in some withdrawal from the assurances provided. In fact, the Republican members of the Senate and the Congress, just as much as the Democrats, were in total support of the commitments and assurances provided in the unanimous resolutions. As the House is aware, those two resolutions have been followed by a letter from the President of the United States to the effect that the United States is ready to take "appropriate additional steps necessary for completion" of the pipeline. In the letter the President wrote as follows:

I recognize the reasonable concern of Canadian project sponsors that they be assured recovery of their investment in a timely manner if, once project construction is commenced, they proceed in good faith with completion of the Canadian portions of the project and the Alaskan segment is delayed.

I would submit to you that those resolutions and the commitment from the President of the United States provide the assurance on which a reasonable judgment can be based and a reasonable decision can be made to proceed now with the construction of the pre-build.

In addition to those assurances received from the United States executive and the United States legislature, we have the commitment of the companies participating in the pipeline project to proceed now with the final design and engineering studies necessary for the early construction of the pipeline.

We also have the assurances that are implied in the necessity of the United States to have access to its Alaskan gas. That is perhaps one of the greatest assurances that any country could seek. The United States itself is fully aware of its need for access to its own natural gas in the Alaska region. It is for those reasons that we share the view of the minister of energy of Alberta that we have received assurances that the United States will not back out of commitments to build the remainder of the pipeline.

It is also for that reason that, since I see my time has expired, I will conclude by noting that the government has decided, in essence, that there is a minimal risk in proceeding with the pipeline. We are assured that there is a very real commitment by all parties to proceed with the construction of the entire pipeline, and in the meantime, Canadians will receive substantial and extensive benefits from the pre-build portion.

Some hon. Members: Hear, hear!

Hon. Bill Jarvis (Perth): Mr. Speaker, in rising to speak on this matter—and I might say that there are innumerable other issues with which one could be preoccupied on this adjournment motion—I should like to use the short time available to me to talk about the oil pricing negotiations, or lack of them, and the potential for doom that we face if those negotiations fail. I should like to talk about the development of other oil reserves in Canada which, it appears to me, are postponed for at least a year because of the failure of this government to reach conclusions. I should like to talk about conservation and about alternate sources, only within the energy field.

Indeed, in terms of the economy, in terms of our environment, in terms of our regional disparities, in terms of transportation and a variety of other issues, I could easily use up the 20 minutes allocated under the House order.

I wish to address myself, however, to the motion presented by the New Democratic Party. Since 1977, we in this party, to use the words of my colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), have been supportive of a full, whole, complete northern pipeline. We have had that view since 1977. Then, in 1977-78, particularly during the House debate and committee hearings, the hon. member for Yukon (Mr. Nielsen) prophetically pointed out that we could be in exactly the position in which we find ourselves today. It was his view at that time—and I do not believe events have changed it—that the pre-build facilities would be helpful, if not essential, to the financing of the northern section.

There will be those who agree and those who disagree with arguments of substance and integrity that may say the pre-build may hinder or prevent the ultimate construction of the northern section. Nevertheless, in 1977 the hon. member for Yukon pointed out to the Liberal government of the day, both in committee and in the House, that we might be faced with a situation where the pre-build would either facilitate or be essential to the eventual construction of the entire line. It should come as no surprise to hon. members opposite, therefore, to find themselves in this pre-build situation today.

On that basis, in approving of the whole, complete line in 1978, we tacitly said that we were in favour of the pre-build as part of that complete line. On December 6 the then minister of energy, mines and resources in our government, announced in this House approval of the National Energy Board recommendation to export a quantity of natural gas to the United States.

An hon. Member: Treason.

Mr. Jarvis: Mr. Speaker, I did not interrupt the pious mewings or grandstanding of the NDP for the last whole week because I did not think it was warranted. I do not need to be corrected or interrupted by the grandstanders to my left either.

Some hon. Members: Hear, hear!

Mr. Jarvis: We made a hard decision on December 6. To use the words of the Prime Minister (Mr. Trudeau), it may have been a "judgment call", and we were prepared to stake our government on that judgment call. So do not expect me to forget the events of that day when the hypocrite of the House took us to task on the basis of that difficult decision. He called it the greatest sell-out in Canadian history.

Before I come to that, Mr. Speaker, may I take a moment to dispel something? I have a newspaper clipping here which

refers to Senator Olson. Its gives me precious little comfort to realize that Senator Olson is in charge of the pipeline. Quite frankly, that makes me more nervous than the NDP does. I remember Senator Olson. He crossed the floor and he became the minister of agriculture, the most forgettable minister we have ever had in that portfolio, I might say. I understand the senator's need for some publicity because he has languished over there without a headline for years. However, Senator Olson said this:

Progressive Conservative leader Joe Clark and his political associates did their best to prevent the pre-build from getting final approval.

"Their opposition in the House of Commons almost killed it," he charged.

● (1740)

That statement is blatantly untrue. I will forgive Senator Olson if all he needs is just a headline. Heaven only knows he needs one. I do not know why the Liberals need him in the cabinet, but I understand the regional problems over there. However, I will forgive him if he is just trying to grab a western headline or wherever he might get one. But if he is serious, I ask my good friends opposite: is this the type of minister you want in charge of an enormous project such as the pipeline? The sooner you get rid of him in terms of his responsibility, the better it is going to be, not in the Liberal's partisan sense—although I think that would help too—but in terms of the country, the pipeline, all our interests and the interests of all Canadians. If he has his headline now, I ask you, would you either replace him or tell him not to give any more press conferences because he does not know what he is talking about?

Let us now come back to December 6 and to what the present Minister of Energy, Mines and Resources (Mr. Lalonde) said, as reported at page 2101 of *Hansard*, and I can only interpret his words as establishing certain conditions under which he would permit the greatest sell-out in Canadian history. The first condition was stated as follows:

—we are faced with the situation where eastern Canada, the Atlantic provinces,—

He says eastern Canada, the Atlantic provinces, which appears to me to emphasize it. He continued by saying:

—need more natural gas and need a gas pipeline to take gas to the homes and to the industries there.

That was a condition precedent, but he did not leave it at that because he went on to say:

The third point is with regard to revenues arising out of gas exports to the United States. They should be used to ensure the initiation and completion of the Quebec and maritime gas pipeline so that eastern Canada would be fully served in terms of gas service and so that people in the maritimes and eastern Quebec would be assured of getting natural gas at a reasonable price.

First, he established a condition precedent that there had to be a pipeline not just to Quebec, but through to Atlantic Canada. Second, revenues arising out of gas exports to the United States were to be used to pay for it.

We have no commitment of any kind despite election promises and despite this kind of rhetoric in the House of Commons. We have no commitment, let alone an ironclad guarantee, that that pipeline will ever get anywhere near Atlantic Canada. That is deplorable and unacceptable to us as a party. It is completely unacceptable.

In terms of financing the pipeline, I do not know where the minister was expecting to get the revenues. He did not say. Would it be from a gas export tax on exports to the United States? Would he get them from the producers? I do not know where the minister is going to get the money. But his commitment to this House on behalf of his party as energy critic of the day was that not only would they build the pipeline, but they would finance it out of revenues coming from the export of gas to the United States. That was the commitment. Neither last week nor this week has there been one peep from the minister in terms of those commitments, not one.

Talking about swallowing words, the minister swallowed a whole pipeline at the expense of our fellow Canadians in eastern Canada. Let nobody be under any misapprehension about that. Then the minister talked about selling 3.7 trillion cubic feet of gas to the United States as a clear indication that the former government had its priorities all wrong. He said:

—our bias as Canadians should be against any gas exports outside Canada.

The only thing that is different is that it is not 3.7 trillion cubic feet, it is more. He is approving more now.

The next point is with regard to swaps. There is no word in this statement about swaps and nothing about the eastern Canadian situation. The present Minister of Energy, Mines and Resources said, at page 2101 of *Hansard*:

—there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline which we might need in exchange for the gas we are now providing to the Americans.

What do we hear about swaps? This was not two or three years ago, this was not even back in 1977 when we made our commitment to the whole line and the pre-build. This was in December, precisely December 6. This is not something which happened years ago since which time events have changed. What has changed between December 6 and now with respect to swaps? Absolutely nothing has changed except that the minister, after having swallowed and digested a pipeline to Atlantic Canada, has now swallowed swaps.

Finally, of course, we come to the notorious statement "an ironclad commitment, signed, sealed and delivered." So much for the hypocrisy of that minister. It is simply inconceivable that events have changed sufficiently to cause such a turnabout.

We are in the position we are because, if it is in fact a judgment call, as the Prime Minister said, nobody trusts this minister's judgment. How could anyone trust him after that December 6 statement and comparing it to what has happened in the last few days? The construction is being justified on the basis of jobs. I am supportive of the job-creation potential in the pre-build section of the pipeline. I am very sensitive to that. But if that is such a big deal, why do we not have a go-ahead on the Cold Lake and on the oil sands project, which are enormous projects in terms of jobs, not just in Alberta and the west, but in my riding and the riding of my Liberal friend

opposite, and all over central Canada? Time and time again the Prime Minister has said: "because Alberta will not agree". No province and no company will ever agree on those projects without an oil pricing agreement. They would be crazy to do so. The only people who would ever agree to someting like that is the New Democratic Party. That party would think that was super. But one cannot have those projects go ahead without an oil pricing agreement. It is not Alberta's fault. It is the fault of two governments. They have to agree. Now we have lost a whole year, and I believe it means 50,000 man-years in terms of direct employment.

Let me come to the motion. The motion is to provide that the building of the pre-build will not commence until complete financial guarantees to the whole pipeline have been obtained. From whom, I ask. I say to hon. members, do you expect a performance bond from the constructors of this? I say, do you seriously expect in the NDP that the companies responsible for the construction of the pipeline can put up a performance bond? No company can put up a performance bond. It is 100 per cent of the value of the project. Nobody can do that.

An hon. Member: How about the ironclad guarantees?

Mr. Jarvis: I did not talk about ironclad guarantees, nor did our minister of the day, because it is absolutely impossible. If the hon. members there demand complete ironclad guarantees, I say to them that they are against the pipeline. It is as simple as that. If you are for complete ironclad guarantees from industry, you are against the pipeline, and I say to you that you have to make up your minds.

I think it goes more than being just facetious to say that you in the NDP want a pipeline but you do not want to put any gas in it. There is more truth than fiction in that.

Some hon. Members: Oh, oh!

Mr. Jarvis: Let me go over the second point.

Some hon. Members: Oh, oh!

Mr. Jarvis: I have listened to you for a whole week and now you can listen to me.

Some hon. Members: Oh, oh!

Mr. Jarvis: Then you go on to say "an agreement" because you did not say anything. They did not say anything, Mr. Speaker.

The Acting Speaker (Mr. de Corneille): Order, please. Would you kindly address the Chair?

Mr. Jarvis: Yes, Mr. Speaker. I am glad to see you in the chair.

Their motion did not say anything about the complete financial guarantee from the United States government. They left that out. But the motion went on to say:

—an agreement has been reached between the government of Canada and the government of the United States that Canadian gas exported through the southern portion of the proposed pipeline will be replaced by Alaska gas at an equivalent price.

● (1750)

That is a swap, replacing gas, whether we need it or not, and at an inflated price. Whether we need it or not, we are obliged to buy as much gas from the Americans as we export to them at an equivalent price, which I presume is today's constant dollar. Therefore, it will be at a price plus the inflation rate. I presume that is what they are saying.

Why would we ever commit ourselves to that? I can see a first right of refusal, or a call on it, but why would we want to buy gas that we may not need, and commit ourselves to buying it at an inflated dollar down the line? I do not understand that at all. If the NDP were serious about swaps, why would they not put it that Canada would have first call on so many trillion feet, or whatever? I could understand that, but this motion just does not make any sense. It ignores completely the fact that we may not need it.

The swaps position may be accurate. I do not know. My friends made a great point of saying the historic mistakes of the National Energy Board should give us cause for concern. Maybe they should, but it is by far the best information we have according to any expert I have ever talked to. They are confident of it.

I cannot imagine even this Minister of Energy, Mines and Resources committing himself to the off oil policy, and I have some real doubts about that one, unless he knew full well the gas was there so that he could accomplish this ten-year figure. I find it hard to believe that this minister would stick his neck out, or perhaps stick his nose out, would be more accurate—

Some hon. Members: Oh, oh!

Mr. Jarvis: I have been very calm in this debate so far. Let me have a little bit of luxury because I feel rather strongly about this. No minister in his right mind would stick his neck out that far unless he knew full well he had the surplus gas to implement his off oil policy, a reduction in ten years so that in ten years oil would form 10 per cent of the total energy consumption of residential, commercial and industrial. I think he has his gas.

No matter if we have gas coming out our ears—and I hope we do and I believe we may—under this NDP motion we would have to buy gas from the United States, an equivalent amount that we exported to them. That makes no sense. If they did something intelligent here, they might have some sympathy but, frankly, I cannot support this. This swap idea is absolutely ridiculous. In terms of financial guarantees, if the NDP had at least not been so cute as to try and exclude any reference to the U.S. government, because they are looking to industry for these guarantees, they would know that the only way they could get them is with a performance bond. No industry in the world can put up that performance bond, unhappily. I wish they could, but they cannot. We have to oppose this motion of the NDP.

Some hon. Members: Hear, hear!

Mr. Knowles: Mr. Speaker, I wonder if the House would be agreeable to calling it six o'clock?

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North Centre suggests that the House call it six o'clock. If the House is so agreeable, at eight o'clock this evening the Chair will recognize the hon. member for Winnipeg North Centre, followed by the hon. member for Châteauguay. Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: When the debate was interrupted at six o'clock the hon. member for Winnipeg North Centre (Mr. Knowles) had the floor.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there are only three members of this Parliament who were members of the House of Commons in 1956. They include the present Minister of Finance (Mr. MacEachen), the hon. member for Brandon-Souris (Mr. Dinsdale) and myself. Since the other two are not here at this moment I have the distinction of being the only one present this evening who was here for the historic pipeline debate in 1956. However, I am quite confident that most, if not all, members of this House know about that debate; some of them listened to it and watched it and read it from outside, some of the younger ones have no doubt read about it in the history books. It was dramatic and a traumatic occasion for the House of Commons. If you can imagine the House of Commons at two or three o'clock in the morning with persons standing out in the halls waiting to get into the galleries, that tells you how dramatic and how exciting that session was some 24 years ago. I thought I was already a veteran member of Parliament having been here for 14 years, and that was 24 years ago.

Mr. Speaker, why did the House of Commons have galleries which were full until three or four o'clock in the morning on four different occasions? Why did that debate drag out as it did? Why was there so much concern about it in the country? Why did it play a part in the defeat of the government of that day at the next election? The answer is that the government of that day chose to make a deal with persons whom the late John Diefenbaker called "Texas Buccaneers". In other words, the government of that day chose to lend our money to foreign persons so that they could make huge profits out of building a gas pipeline in our country. That was one side of the story.

The other side of the story was that the government of that day rode roughshod over the rights of Parliament. I doubt if ever in the history of the Canadian House of Commons the rules of this place were so abused and so misused as they were in 1956. That debate lasted about two months and I suggest that those who are complaining that this debate has been going on for three or four days have the wrong perspective, especially when I make the assertion, sir, that what the present government is doing today is worse than what was done in 1956 on two counts. On the one hand the Liberal government of 1956 was merely lending $80 million—in those days that was a lot of money—to non-Canadians so that they could make profit out of Canadians. But this time the government is selling out for a fast buck natural resources which should be the preserve of our children and grandchildren and great-grandchildren.

Some hon. Members: Hear, hear!

Mr. Knowles: The sell-out today is far worse than it was in 1956. That has been clearly documented by my leader, the hon. member for Oshawa (Mr. Broadbent), by my colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell) and others who have taken part in this debate. I emphasize that that is our concern, that this is the reason we have been so unwilling to let this Parliament close for the summer recess without a vote being taken on the central elements of this proposition.

I said that the Liberal government of 1956 produced that dramatic and traumatic situation in two ways, one, by the sell-out and the other, by what it did to the rules of Parliament. At this time we have a government that has gone further on the second count. It is abusing and violating the law of the land. It may be said that I am making an assertion and that others on the other side are just as capable of making the opposite assertion. They have done so but I intend, in the time I have, to demonstrate the point my caucus and I are making, namely, that the order in council under which the construction of the pre-build is going ahead is in violation of the rules regarding the making of orders in council. If it was bad in 1956 for the Liberal government of that day to abuse the rules of Parliament and to impose closure on debate—it was applied after one or two words and we were kept here until three and four o'clock in the morning on four different nights to bring down the Chair, if you will, to bring down the government itself in the next election because it abused the rules—how much worse it is now that it is violating the law of this land as enacted by Parliament.

• (2010)

Yesterday the Prime Minister (Mr. Trudeau) said, in answer to a question put by my leader, that subsection 20(4) of the Northern Pipeline Act gave the government the power by order in council to change condition 12 of schedule III; that this had been done, therefore the law now is as the government has changed it. It reminds me of an Old Testament story I used to tell in another profession years ago. When Moses complained about the golden calf, Aaron said to Moses, "It is not our fault, we put in the gold and out came the calf". Today the Prime Minister said that it was not his fault, that the law as it now reads is there for him to use. The fact of the matter is

that it is his fault. He is the head of the government which agreed to an order in council which this government should not have passed. The government says that the authority is there under subsection 20(4). It is true that subsection 20(4) gives the board, subject to the approval of the governor in council, the power to rescind, amend or add to the terms and conditions set out in schedule III which are deemed to be such and such, and so on. Yes there is power to change the terms and conditions set out in schedule III. In schedule III there is condition 12 which provides that the company shall do certain things respecting the pipeline. The pipeline is defined in clause 2 of the bill as a line for the transmission of natural gas from Alaska across Canada, along the route set out in the accompanying documents.

It is very clear that what this act is all about is the construction of one pipeline from Alaska across Canada into the United States for the transportation of Alaska gas—Alaska being part of the United States—to another part of the United States. That is all this legislation provides: it provides for nothing else. But the government, using its order in council power, has amended condition 12 of schedule III. The wording of that amendment is to be found on pages 3133 and 3134 of *Hansard* for Friday, July 18. I invite all members who take this matter seriously to read that order in council. It says that condition 12, as passed by this Parliament, is rescinded or is wiped out and that another one is put in its place. What does this other one include? It includes a provision for a portion of the pipeline. There is no reference in the act to the pipeline being in portions. It is the pipeline, the whole line.

Then in addition to that, the amended version passed by order in council says about that portion that it is to be referred to as the pre-build section, and I would rest my case completely on the following half sentence:

—that will be used for the transmission of Canadian natural gas to the United States prior to the completion of the pipeline;

By no stretch of the imagination is that merely the use of the powers set out in subsection 20(4) to amend the terms and conditions of condition 12; that is changing the act, that is changing the whole purpose of the legislation.

Some hon. Members: Hear, hear!

Mr. Knowles: That act provided for a transportation unit to transport American gas from Alaska to the lower 48 states. The order in council turns it into an export pipeline for the transmission of Canadian gas to the United States prior to the completion of the pipeline.

Everyone knows that I am not a lawyer, but I challenge any lawyer in this place to try to make a case for that being simply an amending of the conditions for the pipeline set out in schedule III. Yet this has been done by order in council, and the Prime Minister stood up yesterday and, like Aaron to Moses said, "but it is the law, we are acting under the law." It is the law because he and his colleagues changed it illegally.

Then if one reads a little further in the same revised condition 12, one finds that whereas the one this Parliament passed said that the financing for the whole pipeline had to be in place, now it is changed to read that the financing for the southern portion has to be in place. But, all the companies have to do with respect to the rest of it is to certify that it can be obtained. By no stretch of the imagination is that a mere amending of the conditions. That is changing the whole concept, that is changing the law. It is arbitrary use of power, if I ever saw it in this place—and I have seen it before—for the cabinet, in the rooms where it meets, to change completely the law passed by the House of Commons. What is the excuse for that? It is right in the order in council, apart from the fact that the Prime Minister admitted in his letter to the President of the United States a few months ago that the government had no power to build a portion of the line under the legislation which, of course, he now says got changed by the order in council. Apart from that, even the order in council gives a reason for it. Listen to this language:

Whereas the board considers that the provisions of condition 12 of schedule III—

The Board is the National Energy Board which made the recommendation the cabinet approved; that was as far as the Board could go; the cabinet had to turn it into an order in council.

Whereas the Board considers that the provisions of condition 12 of schedule II do not encompass the circumstances related to the pre-building of the southern section of the pipeline—

That is the excuse for making all these changes. If I may give a parallel example from a field in which I have a good deal of experience, the Old Age Security Act, with its provision for a spouse's allowance, says that no person, no spouse, can get an allowance under the age of 60. The reason for this is that a widow of an older spouse can get it, provided she was widowed after age 60. I should like to see an order in council which would say: "Whereas the legislation did not encompass the circumstances related to the difficulties a 59-year-old widow would experience because she lost her 67-year-old husband, the government amends the legislation and says that the widow concerned would get a pension."

● (2020)

Mr. Orlikow: That will be the day.

Mr. Knowles: "That will be the day", says my hon. friend. No, they stand up every time and say "you have to draw a line somewhere, and the line that is drawn in the law is the one which has to be observed." I could do the same with the veterans' legislation we passed the other day under which we will extend pensions to widows in the case where a veteran's disability pension was below 48 per cent. We warmly welcome that legislation, and I commend again the hon. member for Victoria (Mr. McKinnon) for the bill he brought in last December which broke the ice, but there is a six and one-half year staging-in period. We are going to have correspondence and messages from widows who have waited eight or ten years now but whose husbands' rates of pension were 30 per cent or 25 per cent, and they need it now. Will the government come in with an order in council which says, "Whereas the legislation passed on July 9 does not encompass the circumstances

faced by widows in this circumstance, we will give them their pension now"?

Mr. Orlikow: That will be the day.

Mr. Knowles: Again my hon. friend says, "That will be the day". Do we in this place respect the law or do we not? We say over and over again, "Too bad, that is where the line was drawn". If we provide money for a dock in Prince Rupert, we cannot use it to build a grain elevator in Edmonton, Alberta. The law is specific, and I invite hon. members to read, if they have time to do it, an interesting document to be found in *Votes and Proceedings* of July 17. It is the report of the Standing Committee on Regulations and other Statutory Instruments. It is a lengthy and detailed report. It is a thorough study of the whole problem of the authority of Parliament to delegate legislation. It is a tremendous report. It makes the case that there has to be a lot of delegation because of the complications of parliamentary and governmental business today, but that the principle of parliamentary control must be retained. It questions, for example, the postage increases which were made by order in council under the Financial Administration Act, when there is a Post Office Act under which it should be done.

I remind hon. members again of the story I told the other day about the Conservative government's action in 1962 when it passed an order in council based on two different statutes under which it raised the customs duties on the one hand and then forgave them or reduced them a bit on the other and insisted that it was legal, just as the Prime Minister and the government House leader stand up in the House and say that their order in council is legal. But the Liberals who succeeded the Conservatives in 1963 found out that they were being taken to court on that and that they were going to lose millions of dollars, so the very Liberals who had criticized the order in 1962 came back in 1963 and brought in the necessary statute to legalize what had been done. We are dealing in something which is very important. I cannot quite hear what my hon. friend, the hon. member for Vancouver-Kingsway (Mr. Waddell), is saying, but I think he is probably thinking about the same thing happening and that there may be again a reference to the courts on this very issue. As I said earlier, we are concerned about this matter because it is a sell-out of our children and grandchildren. We are concerned about this policy and the mistaken view of the government in going ahead with this.

However, the point I am making in the minutes which are allotted to me in this debate is that we are also violating one of the basic principles of parliamentary government, that is, that governments cannot pass by order in council things they are not entitled to do, and my contention is that it is crystal clear that this government has no right to amend condition 12, as it has done. Therefore the whole operation is illegal and this government should be brought to task for violating an act of Parliament and violating the rights of this institution.

Some hon. Members: Hear, hear!

Mr. Ian Watson (Châteauguay): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) is convinced that he is correct in his interpretation of the law with regard to the use of an order in council to approve the pre-build of the Alaska gas pipeline. The best legal minds in the Department of Justice and the various other law officers of the Crown who advise the government from time to time are of a different opinion. The government and the official opposition believe that this pre-build is part of a whole unit. It is an initial construction phase, and if we do not get started on this initial construction phase this year, it may be one or two years before we can proceed to the construction of the full line. It is a judgment as to whether or not we take the word of our friends and allies south of the border. We have a situation where the President of the United States and both houses of Congress unanimously tell us that they are totally committed to the construction of the full line before 1985.

Mr. Waddell: Not one red cent.

Mr. Watson: They have given us their commitment morally.

Mr. Waddell: Morally.

Mr. Watson: I am prepared to accept it. The hon. member is not. I am, and I think most members of this House are.

Mr. Waddell: You guys are selling out this country.

Mr. Kempling: Button your lip, you turkey.

Mr. Watson: The American Congress has unanimously indicated support for the construction of the full line. The Government of Canada has taken the U.S. Congress and the U.S. president at their word and has treated this pre-build as the first phase of a construction project on which the full line will be completed by 1985 or 1986. If the American Congress cannot be trusted on this by the Canadian government and the Canadian Parliament, I am afraid it will never be trusted again, and the Americans are well aware of this.

I would like to place it clearly on the record that my confidence is with what the American Congress has promised, and I am certain that I will not be disappointed. The government is certain that it will not be disappointed. If we are, then the relationship between Canada and the United States will change permanently, and that will not happen, in my view.

I think we should run through a few of the points which have been made by the New Democratic Party because one by one they can be shown to be defective in at least a part of the reasoning behind each of the arguments. Let us deal first with swaps. The swap question was first proposed officially when in 1977 the National Energy Board included a swap proposal in one of its reports. At that time there was a small gas bubble, as it was called, which was predicted to occur in the period from about 1981 to 1984. At that time it was felt by the National Energy Board that with some 800 billion cubic feet available—this was in 1977—a swap arrangement would make sense. Two things have changed since then to alter the practicality of the swap proposal. First, the reserves of gas in

Canada have increased enormously, and I will deal with that in a minute.

● (2030)

Second, there is the realization that the question of swapping is simply too complicated to allow an arrangement to be made now which would be of any use to get this pipeline project, which is so important for a number of reasons for both Canada and the United States, on the road. One of the complications would simply be the number of parties involved in the whole process, whether it be producing the gas, transporting the gas or selling the gas. There are so many parties involved that the swapping arrangement becomes very difficult.

A third reason is simply that the Canadian gas producers in Alberta—if we take as a direction the content of the NDP motion tonight and the result of what is being proposed in that motion—who are already strapped for cash, would be faced with the prospect, in the very near future, of having to take in or absorb all this gas from Alaska, if it were a short-term arrangement. If it were a long-term arrangement, the American gas producers in Alaska would be faced with the proposition of having to agree to supplying this gas back to Canada perhaps 20 years down the road.

Nobody would want to be involved in that kind of long-term arrangement, so for practical purposes, swapping cannot be arranged. It is just too complicated and it would mean, in effect, a delay in the project. So we are faced with that choice: not delaying the project or swapping. Swapping is just not an acceptable alternative for those people who have to make a decision.

Finally, to deal with a question which has been raised in the House of Commons frequently in the past few days by the New Democratic Party, that it is more sensible to buy the gas and to keep it in the ground—if the producers need money, why not buy the gas, give them the money, which will allow them to keep on producing and exploring, and simply not export the gas but put it back in the ground and supply it to Canadians eventually? That particular argument has some merit because in effect Alberta is already doing that.

Alberta is using part of its heritage fund or part of the other funds available to it to purchase gas from gas producers to keep them solvent, and they will eventually put that gas into storage or keep it in the ground for use later. It may be a good investment if one takes into consideration that it is being done to keep those producers from going into insolvency. But if one looks at it from the point of view of the argument advanced by the NDP, one finds that they are into a situation where that kind of aid to producers has a limit. The limit is the capacity of the country simply to keep on putting billions and billions of dollars into gas storage. In effect, one has to make a judgment at some point, that exports are in fact a necessary evil, and that they are, at some particular point, necessary if we are to allow the most important exploration development and drilling to continue.

If we do not supply, in effect, the grease to keep this process going, then the whole machine slows down, exploration slows down and we end up in a situation where Canada has fewer gas discoveries, therefore fewer reserves, therefore less capacity to promise industry that 20 years down the road they can be guaranteed enough gas to permit them to convert from oil to gas.

This entire relationship between energy self sufficiency, between moving more rapidly to allow Canada to become self-sufficient and less reliant on foreign-oil imports is tied directly to the amount of reserves we have. The amount of reserves we have is tied to the ability of Canadian gas producers to find oil and gas. They can only do that if they have money. We are faced, therefore, with a decision. Do we simply go into a national debt and finance this exploration and development, or do we use the export of natural gas to the United States to help finance part of it?

This government has made a decision to use that export to finance a part of the project. It is a judgment which was made. I support it because I think it makes a lot of sense. We are not going overboard on gas exports. The government has shown its intentions to protect our natural resources by slowing down the degree of oil exports. We are down now to about 100,000 barrels a day from something like 400,000 barrels a day a few years ago. We have shown that our intentions are to reduce these oil exports down to zero. In the case of gas exports, we will do it if it is necessary, but not in a totally unrestricted manner.

I think we should run over some of the points which are the most important to remember when dealing with this pipeline question. We have the guarantees from the United States that they will move forward on the full line. Let us just look at the consequences of not moving forward this year. Think about them. First of all there is inflation. One year's delay will mean more cost for the entire line. If we do not start this year, we will end up with a more narrow spread in economic development, a more narrow time-frame in which to build, not only the whole line, but also the many other energy projects which are coming on stream.

Surely the NDP is in favour of solid economic planning. How does what they propose fit in if we end up in a situation where we bunch four, five or six major energy projects into three of four years in the mid-1980s? What we are doing now with this project is allowing a reasonable spread. It happens also to fit in with a downturn in our economic cycle.

I have made the point about the necessity to protect the largely Canadian-owned, independent gas producers in the west who are strapped for finances, and this project will help. It seems to me that the people in Alberta and in western Canada generally have a right to expect a little bit of consideration for their economic future in this decision. Their economic future will be strengthened by the move to build this pipeline, starting this year. Surely the NDP—and I know that they have received a number of telegrams to this effect—realize the economic ramifications to eastern Canada if construction on this pipeline starts this year. There are firms in the ridings of

almost every single member in this House which will be affected by the construction start this year. One hundred and thirty thousand man-years of work is certainly nothing to be cast aside.

An hon. Member: A hundred and fifty thousand man-years, get that straight.

Mr. Watson: One hundred and thirty man-years is the figure. Whether you believe it or not, that is what the economists are telling us.

● (2040)

An hon. Member: Which ones?

Mr. Watson: It seems to me as well, Mr. Speaker, that the use of natural gas in eastern Canada is going to be enhanced substantially by the decision to move this year. If there had not been a decision this year, it would have taken that much longer before eastern industry—they are the most important consumers—could be persuaded to use natural gas instead of the imported oil they are using right now. This guarantee of supply is important.

There is one little incident which I think we would all be wise to remember, Mr. Speaker, but no one has mentioned it so far in this debate.

Last February when the TransCanada pipeline broke down because of a valve problem in its major compressor, eastern Canadian supplies of natural gas were in jeopardy for three days. Replacement gas was supplied by the pipeline that goes south to Chicago and back up into Sarnia. This American pipeline was able to save eastern Canada from a shortage for those three days.

The eastern leg of the northern gas pipeline will allow the transportation into eastern Canada of additional quantities of natural gas in the event that the TransCanada system is not able to handle all the new demands that will be created in the east and also in the admittedly unlikely event of another breakdown in the TransCanada system. It is an additional bit of security for eastern consumers which, believe me, is very important.

Let us deal for a moment with the reserves that have really changed the picture in deciding whether or not we should move toward pipeline construction this year.

When the National Energy Board was talking about a gas bubble of 800 billion cubic feet in 1977, they were being conservative, but at that time they were not aware, nor was anyone, of the tremendous potential of what is now referred to as the deep gas play in northwestern Alberta and northeastern British Columbia.

This particular series of discoveries has increased the Canadian total of proven gas by only about five trillion cubic feet, but the potential increase in reserves for Canada ranges somewhere between 150 trillion and 200 trillion cubic feet of gas; an absolutely astronomical amount.

The National Energy Board figures—which, by the way, in 1978 were something like 66 trillion cubic feet of gas for the conventional areas of Canada—did not include the 20 trillion cubic feet which have been proven now in the frontier areas of the north, nor did they include the some three trillion cubic feet off Sable Island and they have not even touched on the gas discovered off Newfoundland.

We are talking of potential reserves of three to four hundred trillion cubic feet.

An hon. Member: Rubbish.

Mr. Watson: That is not rubbish. It is combination—

An hon. Member: Absolute rubbish.

Mr. Watson: The NDP do not seem to be aware of either the discoveries that have been made—

An hon. Member: You don't know what you are talking about.

Mr. Watson: —of the discoveries that have been made over the last two years, nor are they aware of the technological advances which have permitted a much higher recovery rate in existing fields.

Mr. Fulton: Mr. Speaker, a point of order.

Mr. Watson: The ignorance of the NDP in this area partly explains their position during the past two or three days.

Mr. Deputy Speaker: The hon. member for Skeena (Mr. Fulton) on a point of order.

Mr. Fulton: I wonder if the hon. member would quote the source of 300 to 400 trillion cubic feet of gas.

Mr. Watson: I would be pleased to give the source, Mr. Speaker. The source for the deep gas play in northeastern British Columbia—

An hon. Member: The only source of deep gas is you.

Mr. Watson: —and Alberta is the company which is most deeply involved in this gas play.

An hon. Member: Just quote the source.

Mr. Watson: I would like to specify that this reference to a possible 200 trillion cubic feet relates as well to the price, and if the price is high enough, that kind of reserve could be recoverable. That is the kind of arithmetic we are talking about. The company involved in that sort of guesstimate—and I admit it is a guesstimate—is Canadian Hunter. On the east coast, Mr. Speaker, the latest analysis I have seen is by Merrill Lynch, and they estimate 74 trillion cubic feet potential on the east coast.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: The hon. member for Annapolis Valley-Hants (Mr. Nowlan).

Mr. J. P. Nowlan (Annapolis Valley-Hants): Thank you, Mr. Speaker. I must say in opening that I view the order made by the House just before the recess at suppertime to be almost a conspiracy against me. Until that time each member had 40 minutes to talk about many things, including pipelines, and then all the House leaders got together after a fairly active day and restricted the contribution of members to 20 minutes. That puts an almost unfair burden on one of such Irish intent and loquaciousness.

Be that as it may, I shall try, in the 20 minutes available, to say what I have to say. I should like to say to my friends in the NDP to whom I will give one bouquet, before some thorns, that we are debating an issue and there are sincere views on all sides of the House on this fundamental issue of pipelines.

I had one of the greatest speeches I ever prepared ready before we had your ruling to cut our contribution to 20 minutes. It was about the reform of Parliament and all the crazy mutations that members go through in the summertime to try to get out of this place and back to their constituencies. If implemented, these reforms would give every member a chance to speak and do many things. I am not going to speak on reform unless I have a few minutes available at the end of my remarks. I want to speak to the matter that is germane to all hon. members because there is no member with a monopoly on the interest in, and the knowledge of, the pipeline problems that face this land.

To quote or to paraphrase a famous Canadian, who unfortunately is not here tonight to hear my words of wisdom, as we "welcome the 80s"—I think those were the words used on some unfortunate night after an election win several months ago—it is perhaps appropriate that in this House of Commons as we try to move toward a summer recess, that we talk about pipelines and energy. Those matters were with us long before the eighties and they will be with us long after the eighties. They will affect the lives of people outside this House for generations and are not just subjects for the cut and thrust of debate tonight.

Ordinarily I could be very provocative toward both sides of the House. I could allude to my friends in the government, to what the Minister of Energy, Mines and Resources (Mr. Lalonde) has said, and to his flip-flops. In a facetious way I could suggest that this is one of the reasons why the export licence is going to be more than the 3.75 trillion cubic feet initially recommended by the government of which I was happy to be a member—even though in the backbench. That, Mr. Speaker, is one of the reasons and I could be facetious but I wanted to add a little levity to the very serious subject. My friend, the hon. member for Perth (Mr. Jarvis), in a very eloquent and constructive contribution just before the supper recess in his assessment of the adjournment and the motion with which we are confronted, said that the Minister of Energy, Mines and Resources not only swallowed the commitment to Atlantic Canada, an area of which I am proud to be a member, but he swallowed the Q and M Pipe Line and any financial assistance to build that pipeline as well. When a minister has such incestuous indigestion, it is no wonder there is a lot more gas around. Why not ship it out?

● (2050)

Some hon. Members: Oh, oh!

Mr. Nowlan: I have to say this about one of the hon. members. He has fought a good fight. He is a new member and he has made an interesting contribution. In many cases I do not agree with him at all. But I give him full credit, as Thomas Paine said many years ago, before he swung, but he has a right to say what he said.

Talking about pipelines, we find an interesting connection with history. The hon. member for Vancouver-Kingsway (Mr. Waddell) who has contributed to this debate, in an interesting accident of history, has been the executive assistant, or the special assistant, to Mr. Justice Berger, whom I practised against and for whom I have the highest judicial respect. In my opinion—and I do not wish to saddle my party with this view—his report after two years is one of the reasons we are meeting tonight and wondering where we are going on an energy pipeline across this country.

Some hon. Members: Hear, hear!

Mr. Nowlan: You could say, Mr. Speaker, that it was an unholy alliance between the NDP and the CBC. Every night, and every other night in the summer two years ago, I used to turn on CBC television broadcasts to watch the national news, as any faithful Canadian would do to try to keep in contact with the current affairs of this country. Every other night I saw Mr. Justice Berger playing ball with the Eskimos, looking at the caribou and doing many interesting things which we all wish we could do. But I suggest, in a serious way, that I am not sure about the future of the Alaska pipeline in view of what the government is doing tonight.

But I do say that when we move away and get a perspective on history, the assessment of the decision between the Mackenzie Valley and the Alaska pipeline is something which perhaps will not bring credit to this House of Commons.

Be that as it may. I was most interested in listening to the hon. member for Vancouver-Kingsway today who based his argument on three points: that it was a sell-out, that it was a question of sovereignty of Parliament, and that it was the right of Parliament.

I am from Atlantic Canada, and I confess this on the floor of the House that when this debate started—not just here on the motions in the last few days, but over the period we have been talking about pipelines—I was one member who really wondered about the advisability of the pre-build section of the Alaska pipeline. I do not say this disparagingly about members, not just the NDP but members on both sides, not all of

whom have spoken in this debate, but I could wrap myself in a cloak about heritage, the future, selling of our birthright, and then ask what about the mess of pottage? I could say all that. I seriously, sincerely felt that way while this debate progressed.

I must say that I am prepared and happy to be here in the House participating in this debate. Many other members will not have a chance to do so because of the ruling so I am trying to be serious.

The debate in this House has actually changed my opinion. Perhaps it is the judgment call which the Prime Minister (Mr. Trudeau) referred to earlier. It is a judgment call that unless there is a pre-build section of a grand pipeline from the 49th parallel to Alaska, we in the east have even less chance of getting gas to heat our homes, to feed our fires and feed what little industry we have.

Some hon. Members: Hear, hear!

Mr. Nowlan: In tribute to my friend, it is not a sell-out. He knows as well as I do that the pre-build section is a "Y" type section. Part of it goes into California, he says, to heat the air conditioners there, but the other part of that "Y" goes east to Saskatchewan. It gets tied into the northern pipeline; it goes into the Chicago market and it ends up in Sarnia.

How can my friends to the left preach platitudes, which we all preach from time to time, and not get down to the practicality of how gas is put into a pipeline and transported to give us gas in eastern Canada who do not have gas today?

My NDP opponent is a fine citizen, but he was misguided. He kept saying that there is enough gas and energy being shipped offshore in the 3.75 trillion cubic feet that were authorized by the then minister of energy to light all the homes and all the Christmas trees in Atlantic Canada for 50 years. But I agreed with him.

However, how does one get the gas from the west to the east? Can it be done by wheelbarrow?

Some hon. Members: Oh, oh!

Mr. Nowlan: A pipeline is what is needed. How do you get a pipeline? Let us be reasonable. This pipeline we are talking about goes from the 49th parallel to Alaska. I know my friends to the left have many solutions to all of the problems. But I ask them how many of them have worked on a pipeline? Do they know how to build a pipeline that is over 1,000 miles long?

An hon. Member: Do you?

Mr. Nowlan: I have. I can tell you a pipeline is built in sections.

The interesting thing is that I sympathize a little with my hon. friends and I do not fault them for this because in terms of economic nationalism perhaps we should all be more economic nationalists. I heard some of them say they have worked on a pipeline. I wish I had the time to recite the story about when I worked in Seven Islands—it was called Seven Islands before being known as Sept-Îles—when I saw plans for the iron ore carriers going through the St. Lawrence seaway three years before the St. Lawrence seaway bill ever came on to the floor of the House. Therefore, I have been a little suspicious of so-called sell-outs before. But there is an interesting paradox to this problem. My friends and all members want Canadians to own Canadian industry. We can quote figures, but I will not get into an argument about a trillion cubic feet of gas. I will go by the National Energy Board who are the experts and others who are more expert than I. I will confess my ignorance. I will acknowledge their wisdom. The National Energy Board does not allow export licences unless there is at least a 25-year surplus for Canadian needs. I am not going to talk about 400 trillion cubic feet because right now it is 75 trillion cubic feet, or whatever. There are 25 trillion cubic feet more in the frontier. But I say to hon. members, how can you have it both ways in economic nationalism?

We know about the multinationals who, in effect, control the oil industry. My friends to the left know that so far the gas industry in this country is basically owned, operated and controlled by Canadians and small Canadian companies. Unless those small Canadian companies get a cash flow to develop more of the frontier, then some time down the road we will be worried about where we go and how much surplus we have.

I talked about the NDP. My friend from Vancouver-Kingsway said it is so simple. He says to bank the resource, in other words, leave it in the ground. Do my friends from the left want to bank the coal fields in Cape Breton and the iron ore from the smelter in Sydney? Do they want to bank the iron ore at Inco? Do they want to bank the steel from the smelter in Hamilton and leave the potash in the ground in Saskatchewan? And when we get to Trail, do they want to leave the lead there? We all know that these things will be more worth while after—

Some hon. Members: Oh, oh!

Mr. Nowlan: When it comes to coal, I suggest if they have a sincere interest in the development of Canadian industry, they will get the lead out of their ideological position and not just be against business because it is business. Having made those few remarks about the NDP, I will now come to the government position in this matter which my friend from Perth handled so admirably. There is no question that when we talk about ironclad guarantees, that is where my friend opposite has to stand on the docket of public opinion, not just today but down the road.

● (2100)

I am not going to accept the act which says that the bearded senator in the other place, who is in charge of economic development, that Messiah trying to find a home and a tent to crawl under, who may be the economic minister today because the act says he is the minister who has to make a decision. I am not, as a member of Parliament, going to accept his responsibility or just put this on to the NEB.

My friends opposite are in charge now. They have been given a mandate by the Canadian people. They talked about the ironclad guarantees last December, the commitment to Atlantic Canada, the swap arrangement, all those matters. Unless this government produces, they are going to be in the docket of public opinion and we will have sold out the heritage of Canadians from coast to coast. However, at the moment I do not know all the things that have gone on in government. I was not in Venice, I do not know the assurances the Prime Minister (Mr. Trudeau) received. However, I know this.

I am not voting, in a sense, because this motion is a little funny, but the intent of the motion is to vote for or against a pipeline. As the hon. member for Perth (Mr. Jarvis) said, you can talk about ironclad guarantees, but was the CPR built on an ironclad guarantee? Was the TransCanada pipeline, the Trans-Canada Highway or the Pine Point railway built on an ironclad guarantee? On this motion of my friends, we would never have any development in this country.

I am worried. The government has the responsibility. They were given the mandate. However, when I see what happened to the Q and M Pipe Lines which is not going beyond Quebec, with no assurances and not even a study on the matter, when I see what happened to Georges Bank, an agreement between two administrations, and the American fishermen are still raping the Georges Bank of fish, I can say to you, Mr. Speaker, I am worried.

I am not seduced by a letter from the U.S. president who may be a lame duck. I am not seduced by a congressional motion which is something like our 43s. We know how much effect they have. What I have faith in is not some ideological position of the NDP. I certainly have no faith in the ironclad guarantees of the minister, which were a sell-out in December of sensible policy in the summer of 1980. I have faith in the entrepreneurial skills of Canadians and in Canadian people. That is where the final test is going to be.

Some hon. Members: Hear, hear!

Mr. Nowlan: There is much more I would like to say but will say in conclusion, and I say this very seriously, there have been other decisions of Parliament taken and perhaps the political process is filled with these types of decisions. I do not go along with the statistics given to me by the Minister of Energy, Mines and Resources (Mr. Lalonde). All members know that more jobs will be created. My friends to my left say it is a short-term deal. There is an argument there. I do not go along with that. In terms of the long-term interest of Canada, and to build the first cornerstone and spur in a pipeline that is going to bring more energy to eastern Canada, I am prepared to go along with the pre-build.

Some hon. Members: Hear hear!

Mr. Nowlan: Statistics that were quoted to me and have been quoted in the House may be accurate, but unfortunately some of the reasons that have been used to back up those statistics may be the wrong reasons.

In conclusion—and I wish everyone for about one minute would hearken back to this history—I go back to something called railways. Pipelines are the railways or arteries in this day and age. Railways, even the CPR, were not built overnight in one line in east to west. They were built by spurs. Certainly the CNR was built this way. The spurs were connected.

While I have real, grave questions for the Minister of Energy, Mines and Resources about the so-called ironclad guarantees which are not ironclad guarantees, I suggest that the pre-build section of this pipeline is the cornerstone, by accident, of an energy policy that this government, for as long as it stays, is going to have to implement. If they do not implement it and check on those guarantees, the Canadian people will have a chance to turn things around and put a party in power which had an energy policy that was derailed for a short term, but we will be back in charge not too far down the road.

Some hon. Members: Hear, hear!

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I wish to make a few remarks on the importance of the pre-build issue and in support of the motion put forward by the hon. member for Vancouver-Kingsway (Mr. Waddell). I want to say a word of commendation to that member because not only has he put this motion forward, but consistently, in the first part of this session, he has kept this issue before Parliament. He has ensured that Parliament has not been able to go to sleep on this very important question.

Last week, the Leader of the New Democratic Party referred to the American opinion that the Canadian government would be "damned fools if they went ahead with the pre-build without 100 per cent guarantees for the entire pipeline". But this is what we see happening. Just as someone once said, there are lies, damned lies, and statistics—

Mr. Baker (Nepean-Carleton): Then there is the NDP.

Mr. Manly: —today we can see that there are fools, damned fools, and the Liberal government. The pre-build is not the first betrayal of Canadians in connection with this pipeline.

In 1977 the government appointed a board of inquiry under Dean Lysyk to examine the social and economic effects of the pipeline on the people of the Yukon. On many occasions the board explained to the people that this was only the first of a two-stage inquiry, that there was to be a second inquiry and, as a result of that, there would be a final statement, and all the terms and conditions for the pipeline would be based on that second stage.

However, the people of the Yukon were betrayed. The second stage was aborted. Its concerns were referred to regulatory agencies. Government assurances did not help the people of the Yukon. I submit that assurances from the American government have no more meaning and no more value than assurances from this Liberal government today.

In a similar way, Indian people of Alberta discover that proposals for the pre-build betray their interests. It provides no

meaningful jobs for them, no training for skilled jobs as machinists or in heavy equipment. At best, some Indians will get a couple of minor contracts, jobs clearing a few miles of right-of-way.

Indian bands have no recourse if they disagree with recommendations of the pipeline agency with respect to the socio-economic impact. Trappers who suffer economically can act only as individuals, coming before the company which decides both damage and compensation. The Indian people in the southeast corner of British Columbia have had to hire legal advisers to see what recourse they have because they can see that they are going to get all the negative effects of this pipeline and none of the benefits. In British Columbia numerous land claims are outstanding and nothing has been done to settle them before this pipeline goes through. No wonder Indians in Alberta and British Columbia are protesting the pre-build. Their interests are being completely overlooked.

● (2110)

Last Thursday night, I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) what provisions had been made for native people to get jobs on the pre-build. The minister replied, in effect, that this was a very interesting question but that he did not know the answer and, in any case, was not responsible. Once again we find ourselves in a situation where no one on those benches opposite is responsible for answering to Parliament when basic questions are raised concerning the pipeline.

Because the pre-build will increase pressure to develop energy resources in Canada's north, native land claims in the region are bound to be affected, and the native people are concerned. I suggest that if the cabinet is able to change such a basic requirement as the need for financial guarantees, there is no assurance that the Canadian people will not be short-changed in the same way when it comes to other conditions. In the debate on the pipeline which took place in 1970, we were given very inadequate assurances with regard to environmental protection, land claim settlements and the Canadian content of material which would be used in construction. Rather, the Liberal government took the attitude: trust us and we will look after everything. Today we hear a different story. The cabinet is relying on a very legalistic interpretation, a dubious interpretation, to avoid coming to Parliament with the changes it has made. Instead of a pipeline to transport gas from Alaska, we now have an export pipeline to send gas out of Alberta. Watching this government is like watching a soap opera. It lurches from one crisis to another and after a while onlookers have a good idea what is going to happen next.

Two years ago when the Northern Pipeline bill was being rammed through Parliament, Tommy Douglas objected that the House was

> about to take part in putting on the statute books a piece of legislation in which there are glaring gaps and deficiencies, shortcomings which will become more obvious as the project proceeds.

He pointed to the lack of adequate protection for the environment, faulty financial arrangements, the lack of agreements with native people on their land claims and the lack of guarantees of Canadian content. Then he went on to expose the real purpose of the bill. He said:

> The primary purpose in the immediate future is not to take Prudhoe Bay gas to the United States. The primary purpose is to take Alberta gas to the United States.

Today we see that the government is doing just as Tommy Douglas said it would, two years ago.

Some of the members opposite have raised the question of the NDP's position in British Columbia. They see a contradiction between our federal policy opposing increased sales of natural gas and the concern of New Democratic Party members in British Columbia that the pipeline will lock in the B.C. natural gas supply. There is no contradiction, Mr. Speaker. If we found a family living on junk food, we would not help the situation very much by simply taking that food away. Something has to be provided in its place. That is the situation with respect to natural gas in British Columbia.

We face the same situation with regard to our forest industry. In spite of what people once thought, our forests are not an inexhaustible resource. We in the New Democratic Party believe that British Columbia must adopt a policy of more intensive processing of our forest resource rather than exporting huge squares of timber which will be further processed in the receiving country. In the meantime, though, the forest industry depends upon the export market. When that market takes a downturn, our people suffer. What we need is a phased-in policy of more intensive processing while we are phasing out export of raw or semi-processed products. It is the same with natural gas, Mr. Speaker. The New Democratic Party of British Columbia knows very well that our province depends very heavily upon the revenues from the sale of natural gas. After all, back in the seventies, it was Dave Barrett and the New Democratic Party government which demanded that while we respected existing contracts, the people of British Columbia should at least get a fair return from the sale of their resources.

We have to move away from dependence on the export of raw resources. But we have no intention of doing this in an arbitrary or unplanned manner. Our position is clear. Increased exports of natural gas from Canada—from Alberta—confirm Canada's position as a hinterland to the United States. We become more dependent upon the export of our non-renewable resources, but at the same time this places the economy of British Columbia in jeopardy by threatening to cut off our exports when the government has become so dependent upon them. What I want to know, and what the people of British Columbia want to know, is where the 16 Tory members of Parliament stand on this issue.

An hon. Member: Where are they?

Mr. Manly: What is their position? Where do the members for Vancouver Centre (Mrs. Carney) and Vancouver South (Mr. Fraser) stand on this question? Do they have any policy other than silence or skirting the issues?

An hon. Member: They are hiding.

Northern Gas Pipeline

Mr. Manly: Mr. Speaker, I believe we need to debate the remarkable assertions of the Minister of Energy, Mines and Resources concerning swap agreements. On Thursday night the hon. member for Broadview-Greenwood (Mr. Rae) asked what provisions there were to swap present exports of natural gas from Alberta for an equivalent amount and at an equivalent price of Alaskan gas when it became available. I would like to quote the minister's reply. He said:

> We discussed and reviewed this matter at great length and examined possible avenues, and it was concluded—unfortunately I have to say—that arrangements for swaps were not feasible and not administratively possible in this instance. I have gone into this matter to a great extent. We have tried, but I must say in that respect that I have been unable to achieve arrangements which would be satisfactory. I came to the conclusion myself that the objections and the problems which had been raised in considering such an arrangement were quite genuine and that it was impossible to make such arrangements.
>
> I also came to the conclusion that the question of swaps was not as essential as it appeared in terms of supply for future Canadian needs. We have quite clear evidence that Canadian supply is quite large and that we can be assured that the future of Canadian supplies remains guaranteed.

We need to hear more from the minister about this. Instead of a simple admission that he had completely failed, he said that there were objections and problems attached to any swap arrangements—objections and problems that he considered genuine and which made swap provisions impossible. I say that we need to hear some of the details about these objections and problems. What were they? How did they come to have such an overpowering effect on the minister's mind, causing a complete turnabout of his former policy? We need a chance to debate these things. Further, the minister said that the question of swaps was not as essential as it once appeared. The minister began the discussion by saying that unfortunately arrangements for swaps were not feasible. He concluded it by saying they did not matter. Mr. Speaker, this reminds me of Aesop's fable about the fox which saw a fine bunch of grapes. The fox tried to jump up and get the grapes. It jumped again and again but could not reach them. Finally it gave up in disgust and walked away. It said: "Those grapes are sour." We have a case here of sour grapes. The minister tried to get swap provisions, and when he could not he said they really did not matter. The reason the minister gives for this is that the Canadian supply is quite large and we can be assured that the future of Canadian supplies remains guaranteed.

An hon. Member: At what cost?

● (2120)

Mr. Manly: Happy days are here again. We are back to the euphoric period of Joe Greene when he was minister of the same portfolio. Only nine years ago he stated that Canada had a supply of natural gas that would last for 932 years and a supply of oil for 390 years. We can forget all about those terrible years in the mid-seventies when it was predicted that we could be running short by 1985 and even 1983.

It becomes quite evident that estimates of gas reserves vary in accordance with industry proposals at any given time. In the early seventies the industry wanted to increase exports, and so we heard about reserve supplies which would last for hundreds of years. By the mid-seventies the push was on to rush through the Mackenzie Valley pipeline. We heard that unless we got this pushed through in the next few months, we would all be freezing in the dark. Now when we want to go ahead with the pre-build which involves further exports, we hear once more about huge reserves.

It becomes increasingly difficult for Canadians to place any credence at all in the differing statistics given to justify these different projects. However, we should recognize that no matter how large our reserves, there is no such thing as a surplus of a non-renewable resource. Our reserves might be surplus to our needs for this year, or even for this generation, but when we consider the long-term future of Canada, there are no real surpluses of natural gas.

Today we hear the government talking about the jobs involved in the pre-build. We want those jobs too, but we want all of the jobs in the total pipeline. We do not want the pre-build jobs at the expenses of our children's future. We do not want them at the expense of future energy requirements, nor at the expense of future jobs that will depend upon those gas reserves. The lack of planning exhibited by the government poses a continual threat to the natural resources of Canada.

Back in the sixties members of the New Democratic Party opposed the terms of the Columbia River treaty with the United States. At that time we were shouted down by cries of cheap energy. Today the people of British Columbia are paying through the nose for that sell-out by Liberal, Conservative and Social Credit governments. In the sixties we sold our power down the river; in the eighties we are sending it down the tube.

The NDP heard the same story when it tried to modify the original auto pact agreement, legislation in which all the cards were stacked against Canadian people. As Tommy Douglas said, "We were shooting craps with loaded dice". Today our unemployed auto workers are paying the price for the refusal of that Liberal government to demand proper terms.

Going ahead with the pre-build without 100 per cent guarantees is only the latest chapter in this long, depressing soap opera, a soap opera in which the sponsor refuses to come clean by coming before Parliament with a bill to make it all legal.

The sell-out of our natural gas reserves reflects the continuing foreign domination of that industry.

An hon. Member: And that party.

Mr. Manly: And that party, right. In spite of the minister talking about the benefit of the pre-build to hundreds of small and medium-sized Canadian-owned producers, the fact remains that concentration and foreign control is only slightly less in the natural gas industry than in the oil industry. In 1979, four of the six top producers were foreign-controlled multinationals—Shell, Amoco, Gulf and Imperial. Perhaps this does not bother the Liberal cabinet too much. In spite of Liberal rhetoric about Canadian control of the economy, most Liberal cabinet members appear to be thinly disguised continentalists. After all, it was only 11 years ago that the Hon. Joe Greene, in asking for a continentalist energy policy with more

exports from Canada, spoke of our boundary with the United States as the "imaginary border". Unfortunately, if all that separates Canada from the United States is an "imaginary border", the Liberal government suffers from a failure of imagination. It is unable to imagine a Canada not dependent upon exports of raw resources, it is unable to imagine a Canada in control of its own economic destiny, it is unable to imagine a Canada in the twenty-first century that will need these resources.

Some hon. Members: Hear, hear!

Mr. Garnet M. Bloomfield (London-Middlesex): Mr. Speaker, I should like to say how much I appreciate the opportunity of giving my maiden speech in the House at this time. I count it a great privilege to be elected to this forum and to be part of the Government of Canada. Many ask, "Why give up your business and your way of life to go to Ottawa?" Canada means much to me. Canada is more that geography although I like the writing on the portal of the main door, "from sea to sea". Canada is more than the natural resources with which we have been blessed in such abundance. Canada is more than beauty, although she has been endowed with so much—mountains and lakes, spaceless prairies, endless forests, farmlands; we have it all. Canada is still more. Canada is rich in her freedoms—freedom of speech, freedom of the press, freedom of choice and freedom to worship God. Canada means security—a place to stand and a place to grow. That is what Canada has done for me. Canada is rich in her heritage for freedom and was always willing to give of her sons and daughters in the cause of liberty. Canada is rich in her compassion to those who need shelter in the time of storm. To me Canada is the beautiful pearl among nations.

I should like to thank those who elected me to represent the great riding of London-Middlesex in the Thirty-second Parliament. The London-Middlesex riding is situated in the beautiful farmland of southwestern Ontario. The city of London is the capital of that part of the country. My riding is the east half of Middlesex county and the eastern and southern portion of the city of London. The London-Middlesex riding completely encircles the ridings of London East and West represented by the hon. member for London East (Mr. Turner), our party whip, and the hon. member for London West (Mr. Buchanan). Middlesex county is farmland at its best, with over 90 per cent class 1 and 2 land backed by very diversified farming—dairy, beef, pork, poultry, grain, beans and fruits. It is almost like the garden of Eden. Also we have many small towns and villages that contribute much to the total community. A good two-thirds of the population of my riding is within the city of London. As with the rural, the urban part also is diversified with many well-kept subdivisions, with mainly single family homes, with many small businesses and the corporate giant, GM Diesel. The population is basically Anglo-Saxon, with many people from other countries coming to settle in the London area. We have Italians, Dutch, Greeks, Poles, Hungarians, Portuguese, Ukrainian, Germans, Croatians, Lebanese, French and many others. These folk have come to this land with many technical skills and have certainly helped to build this country to what it is today.

I was elected on February 18, 1980, to represent the riding of London-Middlesex as a member of the Liberal party. I promise to do my best, but more than that, I believe I became a director to the "Canadian company". Even as my riding is very diverse, so is Canada, and I intend to serve my country as a director in trying to see that the Canadian company does well. I have always said what I believe and taken an active role in issues which concern me. As a responsible representative of the people of Canada, my obligation as a director of the Canadian corporation is to make decisions which are best for the country as a whole, to make the right turn when faced with the inevitable fork in the road and to choose the path which is best for the long-term future of Canada, even though that particular road may be rocky and steep and, indeed, may contain potholes which pose the possibility of bottoming out. It really does not matter what level of government one is operating in; making the right decisions, not necessarily the popular ones, gains long-term respect and confidence. He who serves his country best serves his party best.

● (2130)

I would like to express my views, first of all, on the present state of our country's unity and wealth. I am all for the various provinces having good, strong, individual voices, but we must never forget that we are Canadians first. What world voice would we have if we each were intent on being known as Albertans, westerners, Ontarians, maritimers or Quebeckers instead of Canadians? As we look around the world, we realize we in Canada are very fortunate people. We have inherited a wonderful way of life and have vast resources at our disposal.

I would like to give an illustration of what I see is happening in Canada today. It seems to be like an old couple with lots of money who, having raised a large family suddenly die, and then the family begins squabbling over the will—or the constitution—and over who can grab the most. Can confederation withstand that kind of assault? Will there be any confederation left if we all "get our rights" and build our own empires? It helps to strengthen the country to broaden the base, but we should never forget that we are all members of the same corporate family. Our Canadian concerns should come first and our provincial second. Provincial governments are the regional outgrowth of municipalities, but the federal government is the Government of Canada responsible to the people of Canada.

I would like to tell the story of a traveller in twelfth century Italy who came across two men laying bricks. "What are you doing," the traveller asked. The first man replied, "I am laying bricks". The second man answered, "I am building a cathedral". One was working for daily needs, and there is nothing wrong with that, the other one was working for daily needs too, but with a long-range plan for a better tomorrow for the next generation. So I emphasize again that as each of us sit here in this board room, we must, for a time, doff our special

ridings and even our provincial hats and accept the responsibility of wearing the corporate hat of a Canadian.

Some hon. Members: Hear, hear!

Mr. Bloomfield: Let our object be our country, our whole country and nothing but our country.

As I have said many times, the challenge of the eighties will be energy and finances, and I am sure governments will be judged on how well these two great problems are handled. The solution to the energy question and the state of our nationhood seem to go hand in hand.

While I fully support the right of each energy producing province and private corporation to a fair return on their resources, somehow we must not lose sight of our over-all corporate goal: energy security at a fair price for all Canadians. As I have stated before, the price of oil must go up. We must narrow the gap between our price and the world price of oil, and while I do not expect Petro-Canada to solve all our energy problems, I have always believed that Petro-Canada is a small window into a very dark room.

Personally, I would not want to see Petro-Canada take over the oil industry, but I believe it should provide some stability and reliability in the oil business, to the extent that the government has some insight in the oil industry to ensure that the consumer is not being ripped off by the multinationals.

I sometimes wonder about the interlocking of board rooms, especially between oil companies and car manufacturers. I am not a socialist, but I believe that the government must keep an eye on what is going on in the private sector. I honestly believe that if oil companies are not members in the same club, there is certainly a definite family connection. It is amazing how often the directors or their representatives turn up in different board rooms, not only of our oil companies but also of our automobile manufacturers and our financial institutions. I am sure that if we traced the stock holdings of many, there could not help but be some glaring conflicts of interest which discourage healthy competition which, if left unfettered, could perhaps have led to lower energy prices for Canadians.

To achieve our economic goals, we must find ways of attaining energy self-sufficiency. That must be done through many different ways and means such as oil development, conservation, energy alternatives and switching to natural gas or hydro—of which we enjoy a surplus—to list some of the solutions.

If we Canadians could agree on an energy pricing policy which would give Canadians a long-term lower price than world prices, think of what that would do to give our industry an edge in the world market in manufactured goods.

I would like to give credit to the province of Alberta, for it has been sharing its resources with the rest of Canada at a price—much lower than the world market, but there are always two sides to every story. I go back in history to 1956 when there came on the scene of Parliament a very stormy issue. It eventually brought the Liberal government down because it pushed through legislation for the right to build a pipeline from the oil fields of Alberta to the market in Ontario. Ontario paid more for western gasoline for many years than if it had been brought in from offshore.

Pipelines are like railroads in that they link the country together. This most recent pipeline, known as the pre-build, is just the first phase of a line which will reach into the far northwest corner of our country when completed. This line will serve a dual duty in that it will not only transport Canadian gas from the far north but will also accommodate the United States in sending their natural resource to the lower 48. The spinoff from this project will be of tremendous benefit to the financial structure of Canada in terms of jobs and cash flow. I am sure time will vindicate the go-ahead on this pipeline. Who would suggest that the first pipeline from the west to the east was anything but a roaring success for Canada?

However, at this point there is simply no way we can develop alternative energy resources fast enough. Canadians will be dependent on oil energy for many years to come.

What about the energy potential in Canada? We have the oil fields in the west and the north, *Hibernia* off the east coast, and uranium mines, but where do we go from here? Do we harness the power of the ocean tides or recycle garbage? Gasohol and the development of energy resources is paramount to our survival. Some diesel tractors in the United States of America are being fuelled by an extract from soybeans. I believe the proposed alternative energy corporation should find itself a half dozen good scientists, lock them in a room and tell them to forget the word "oil". I am sure that if we have the capability of sending a man to the moon and taking pictures far out in space, we can find other sources of fuel to fire our machines. I look forward to the proposed alternative energy corporation supplying some of those sound choices in the years to come.

Another national resource important economically to every Canadian is our western wheat. I am greatly distressed when I hear about millions of bushels of wheat sitting in granaries and unable to get to world markets because of transportation problems. According to the Canadian Wheat Board, a while back it was losing $2 million a day in potential wheat sales because of mechanical and transportation bottlenecks. I want to see the grain terminal at Prince Rupert a fact in the near future. I support the notorious double-tracking, where necessary, and that is only in certain spots, I understand, but let us get on with the job. As a federal government, we should take definite steps somehow to get that grain to the ships and to world markets. If that means upgrading the railroad, the grain terminals or port facilities, then somehow let us do it. We cannot afford not to.

Another issue we cannot afford to neglect is our responsibility for the health and well-being of our most precious resource, our youth. A real health hazard in our society among our youth is the use of drugs. I believe we must be very careful of any change in our drug laws. We have seen what tragic results there were from lowering the drinking age. The same thing took place when we changed the laws on abortion. Many members have related to me that they would never have voted for the change had they known the detrimental effect that the new law would bring to society. I believe that we have history

to prove, especially over the last 20 years, what softening the laws will do to our country.

● (2140)

I believe young people need to know that somebody cares for them, has a genuine interest in them and that we do not want to see them destroy themselves and their future in the drug scene. Laws that have any meaning must have the support of society. They must be fair and just. They must be severe enough to be a deterrent and, hopefully, be strong enough to bring correction.

There are two other issues that I would like to touch upon briefly before I finish. The Government of Canada, through our Prime Minister (Mr. Trudeau), had my wholehearted support in the boycott of the Olympics and in the buying of the new fighter aircraft. We all, I am sure, felt for the youth who looked forward for so long to the competition in Moscow, but what better way was there, short of war, to tell the Soviets that if they were going to act as barbarians in the world community, then they would have to pay a price.

The Russians, I am sure, were wanting, by hosting the Olympics, to demonstrate to the world what a fine, civilized and responsible Communistic government can be. By their intervention in Afghanistan, the Soviets vindicated those of us who believe that they still have world domination in mind.

Because of the recent happenings in the world, especially in the Middle East, and the continual build-up of the Soviet military machine, I believe that the free world has no alternative but to respond. War is unthinkable, but to be crushed by a ruthless dictator, would, in my opinion, be worse. George Washington once said, "To be prepared for war, is one of the most effectual means of preserving peace".

I would like to suggest that we as Canadians are a very privileged people. We have so much in comparison with the rest of the world. While we are privileged, we must be responsible in ensuring that our freedoms and opportunities are retained in our society, and each generation must come to grips with these matters. A democracy does not have perpetual power. It is something that we must work at and struggle for, to be involved in, to make it a lasting thing. Democracy is everyone's business.

Democracy demands involvement. If left to itself, it rots and decays. It demands the involvement of all of us at all levels of government. Democracy makes each of us responsible for the future of our country, Canada.

Some hon. Members: Hear, hear!

Hon. Ron Huntington (Capilano): Mr. Speaker, when I left here this afternoon I had a potpourri of experiences from this first session of the Thirty-second Parliament in mind, and I had a collection of rather serious matters which had been left undone. I listened to my learned friend, the hon. member for Cambridge (Mr. Speyer), this afternoon on matters pertaining to immigration. I have been conscious of our move toward a just society. I brought in a great package of unresolved questions pertaining to immigration matters of a compassionate nature from my riding which I have not been able to resolve.

I must be fair to the Minister of Employment and Immigration (Mr. Axworthy) and thank him for one or two matters, but when I heard the story of the Calamusa affair as described by the hon. member for Cambridge this afternoon, I went back and reviewed my file and found that retarded children trying to be reunified with families were being denied access and that people were being deported who had compassionate grounds for staying, stories which were heart-rending. I just hope that as a result of the speech this afternoon and the awareness that many of us have gained, a great deal more compassion, consideration and humane judgment will be given to some of the applications and contacts which many of us will be making with the Department of Immigration through the summer break.

Before I get into the heart of my remarks, I would like to share a couple of concerns. Personally I am very concerned that we as a Parliament and a governing body have failed in updating the terms of reference under which the National Energy Board should be working. I believe that if they had more modern terms of reference and a better understanding of the concerns of members of Parliament and Canadians in terms of supply for our children and their children into the future, then perhaps debates of this nature would not be necessary.

I have a criticism of some of the data which is behind the decision-making base. It is really the lack of updated policy which the National Energy Board is using. In my remarks tonight, I urge the Minister of Energy, Mines and Resources (Mr. Lalonde) to begin resolving this matter and to present to the beginning of the second session of this Parliament terms of reference for the Energy Board which can be perhaps debated in this House so that the importance of this issue can be impressed in the minds and hearts of Canadian people and can be resolved.

I think that is what this chamber is all about. It behooves all of us sitting during the Thirty-second Parliament to take an interest in this issue and to become involved in it. In my opinion we are using a frame of time which is too short in the calculation of reserves. I would like to understand the part of review or special committee of the House that perhaps can deliver what we want as a Canadian people and what our constituents want in terms of security of energy in the future.

I would also like to have better knowledge about the non-renewable forms of energy and the programs which are ahead in that area. One of the most serious things in terms of the energy debate which is going on—and I speak with all the sincerity I can muster in my heart and soul—is the debate and the stance or the threats which are coming from not only the Prime Minister (Mr. Trudeau) but from this minister of energy in terms of the export gas tax to the western provinces. I want to tell the gentlemen opposite that there is nothing which is concerning the government in my province more than that one single issue and that one single constant threat.

The dollars which this government has threatened to take away from the B.C. treasury are in the order of $250 million to $300 million. I was told yesterday that if that export tax

goes through, as threatened by the Minister of Energy, Mines and Resources of the federal government, by 1985 the sum drain from the provincial treasury from the province of British Columbia will be as high as $1,200 million. Gentlemen, for goodness sake, hear this continuing plea from the western source of energy.

Those provinces have in their history the complete ability and they want to share with the have-not provinces of this country. It is the way in which they share. Allow them to have an input into the sharing. There has never been greed to any degree. But this federal government, if it intends to resolve the constitutional debate into which we are entering, a debate which will be at the hearts of every Canadian over the next two years, will have to back off on the stance that it is taking and the alienation it is causing in terms of a drain on the resource revenues of the provinces of British Columbia, Alberta and Saskatchewan.

It is quite interesting that all of us in the west, I believe, consider Premier Blakeney to be a man of very great, statesman-like ability, in terms of provincial premiers. I am sure that even he is having great trouble wrestling with the proposition of the federal government. If he intends to represent his province, he must join the no-stand of the provinces of Alberta and British Columbia. I ask the government to please not expose this country to a strain which will break it by continuing on the present path taken by the Minister of Energy, Mines and Resources.

● (2150)

I should like to point out one of the fundamental differences between the Progressive Conservative Party and the Liberal party in terms of what we are entering into in the Thirty-second Parliament. We hear a great deal about a national energy strategy, particularly from our friends to the left. We know that the hardworking Minister of Industry, Trade and Commerce (Mr. Gray) is burning the midnight oil putting together a national industrial strategy.

I anticipate three major pieces of legislation that will come from this new Liberal government with their new mandate. I suggest to everyone in this House that we are moving into an era of highly structured type of law and legislation with bureaucrats, tribunals and agencies to control the decision-making aspect of our lives.

Our approach was different on this side of the House. Our legislation was going to direct itself to behaviour. We were going to spread the decision-making base of the nation into the board rooms, to the presidents and managers of industry. That way we could once again spark this country with the incentives so necessary to create wealth and to take care of the distribution problems that we have.

I see one of my friends on the government benches shaking his head. If he does not know what I am talking about perhaps he should do some reading, even if it is newspaper clippings. We are into a period of a highly structured type of law.

I can also warn every member of the House that we will be faced with a new set of regulations and instructions from FIRA which will give more control over foreign corporations. I do not suppose anyone in the House will object to that, Mr. Speaker. I would bet, however, that that type of control will be exerted over Canadian corporations as well. We will be offered a competition act that will be highly structured. Business and the incentive sector will answer to tribunals, to committees and agencies.

We have moved away from a very sincere and energetic effort on the part of the Clark government toward incentives, tax credits on incremental increases for research and development so that once again the boardrooms of this nation could direct their monetary energies into high risk areas. In this way we could generate new technologies, new techniques, update productivity and start creating wealth so that we would be able to compete in the industrial world. All that has gone, Mr. Speaker. We are moving to the socialist approach of a highly structured economy where the bureaucrats are wiser than all the people gambling their own savings and making the decisions.

An hon. Member: Tell them what they want to hear.

Mr. Huntington: I should like now to make some observations about the NDP. This is the party that is always calling for a national industrial strategy. The only national industrial strategy they have ever offered is to impose state ownership on the production of goods and services.

I was very surprised the other night, and I mentioned my surprise, when the hon. member for Hamilton Mountain (Mr. Deans) spoke about the small business community. I wept at that; I was really moved. I have noticed in the election campaigns in which I have been involved since 1972 that the NDP always talks about taxes. Two-thirds of their campaign literature is directed to taxes. They want indexing removed from middle and upper income earners so that their level of tax is increased.

I know enough about Marxist doctrine, Mr. Speaker, to know that the method is to tax employers and merchants and take taxation from the workers. When the NDP preoccupy themselves with taxes, they are occupying themselves with matters that are of concern and importance only to merchants and employers. They are in turn attacking the business community and those who make it work. That includes the small and medium sectors to which, every once in a while, they like to promise something.

The tax question that they present by rote is for the bourgeoisie, Mr. Speaker. Make no mistake about that. Workers are naturally concerned about deductions, negotiations and catch-up. The wage in the marketplace is the commodity of labour power. Competition assures that the take home pay is all that the worker gets. Herein lies one of the great challenges for each and every one of us in this House.

This party, Mr. Speaker, places a high priority on spreading the benefits of capitalism across to the work force. I personally will continue my efforts in all committee hearings, to encouraging share ownership and taxation plans like RRSPs

which allow workers to buy with pre-tax dollars more and more of the wealth-creating opportunities in this country.

The New Democratic Party is always crying for rent controls. It is interesting that Marxist activists always work against the landlords, Mr. Speaker—against the free market concept. This continuous attack delivers nothing but shortages. Anyone who wants to know what a housing shortage is should visit the west coast to find out. Incentives have been removed for those people who have saved, for the people who have capital, to invest it and to create shelters.

Therein lies another of the dilemmas which stems from the continuous attention to socialist dogma. We have delivered everything to consumerism. It is time that we returned to a balance between consumerism and supply. The shortage of goods is causing an inflationary pressure that will never be licked until some government policies move into this area.

These shortages do not serve man, Mr. Speaker. They do not serve the low income earner that the NDP is always championing. In my opinion, the NDP position on rentals is completely wrong. This is still a free enterprise system, I hope. If the incentive is removed, there will naturally be a shortage.

In all their activities during the elections and in this House, the New Democratic Party creates irritants, they never create cures. They only serve their own political ends with their activity.

The NDP does not really give a tinker's darn about tenants. They do not give a tinker's darn about the individual or the sense of individualism in our society and neither, in my opinion, do the mandarins of organized labour who are their bosses.

Some hon. Members: Hear, hear!

Mr. Huntington: Most of Canada's problems could be solved if we were to create the environment to encourage Canadian savings and capital. I do not see that happening in the moves taken by the Liberal government. The NDP programs destroy capital. How can any of their programs create capital, considering the way they want to spend and create deficits. They show no ability to take a risk. They agitate tenants and use their rancour and cliches only to gain political advantage for themselves. They offer irritants, never solutions. Industrial strategy and planned economy are but catchwords. Their industrial strategy is only state ownership of the means of producing goods and services. Can the NDP tell us what the alternative to capitalism is? What is the alternative, gentlemen? How do we achieve it?

An hon. Member: Socialism is the alternative.

Mr. Huntington: They are long on listing the evils of capitalism but they never offer a correction or a solution that will lead man as an individual or man with the freedom to set the goals, to achieve and to create wealth.

An hon. Member: You are running out of gas.

Mr. Huntington: Marxist doctrine has not survived the test of time because no situation has developed—

An hon. Member: Groucho or Harpo?

Mr. Huntington: —where the doctrine has been applied in its genuine form. Possibly the country that came closest to the Marxist ideal was the United States, a highly industrialized society. It is a society that was built on capitalism, free enterprise and taxation laws—

An hon. Member: Argentina. Chile.

Mr. Huntington: —that encourages initiative.

I am really getting to them now, Mr. Speaker. This system of rigid forward planning, in my opinion, is totally false. I cannot see all the developing aspects of the future. But this is what they want in their industrial strategy. They want everything tied down into a framework that is immovable and entrenched.

• (2200)

Did Marx see the technological revolution which has taken the labour and the sweat out of the labour of man? No, he did not. That is one of the reasons so many of the doctrines and so many other countries have failed. An industrial revolution which we are in the middle of today will enlighten and reduce the labours of man, but Marx did not see that. Nowhere in a planned economy can you adjust to the exciting technological evolution that is coming out of man's mind today.

In my opinion, capitalism does make a beneficial contribution to human development. But we have not yet reached the stage where the benefit of capital is available for all. I think that that is the challenge which this government on the other side might pick up. I will certainly needle them as an opposition member because I think we need taxation laws which will allow the pre-tax purchase of equity and shares in the place of work of Canadian labour. If we can do that, capitalism will have a shot in the arm. It will put the socialist dogma into the garbage can once and for all.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, I think this debate is somewhat arid for us all here in the House of Commons, first because of the very warm weather we have had in recent days and also because of the incessant work that the New Democratic Party has forced us to do in the past couple of days. Of course, we all need to be in our ridings as soon as possible to be able to discuss with our people, to know their problems a little better, to hear their points of view on the different policies we implement from here. Unfortunately, it seems certain members of the House did not understand that and decided to keep us here just to draw some publicity. Still I do want to be consistent, and I am happy, Mr. Speaker, to be able to speak tonight for several reasons.

First of all, this is the first time I have sat in this august chamber, as I was newly elected on February 18, and tonight I have a chance to tell you what I think, to sum up the work that has been done in the past few months. When you come here to work in the interest of your people, the first thing you try to do is to understand what people need and what the people you represent want. That is what I have tried to do. I tried to find out if my colleagues from all parties shared the same view. Of course, that becomes difficult because we are caught here five days a week, sometimes more, and at the same time we have to be at home to know what our people think.

From that context it is still easy to determine who in the House is serious and who is not. One thing that appears certain to me is that there are fundamental differences between what the Progressive Conservatives may think on certain points and what we may think on others. It is the same thing on the pipeline as on any other project. Our goals are different, and so are our views. Still, I noticed that the Progressive Conservatives are serious in what they do. When they ask a question and a minister answers, they listen to the answer. If they have criticisms to make, they make them. If they do not agree, they say so. As you know, Mr. Speaker, tonight there was a motion introduced on the pre-build section of the northern pipeline. It was introduced by a member of the New Democratic Party. I am pleased. It is part and parcel of the rights and rules of the House to be able to introduce motions when what has been done is considered inadequate. Be assured that I have deep respect for the parliamentary leader of that party, the hon. member for Winnipeg North Centre (Mr. Knowles).

[*English*]

Mr. Speaker, I will try to tell you in English, and I hope that my friends will understand. Tonight is the first time that I have spoken in English in the House.

Some hon. Members: Hear, hear!

Mr. Gimaïel: I am very respectful of the hon. member for Winnipeg North Centre (Mr. Knowles) for the knowledge he has of the rules of the House. I understood the point of view he gave tonight. He thinks deeply that the government is not acting legally by taking the position to commence the pre-build. We have received assurance from the government that all is okay. I respect the hon. member for Winnipeg North Centre for telling us in the House that he does not agree. I want to tell the hon. member that I hope his friends in the NDP take an example from him. What we saw from this party over the last few days, and I do not want to go over it, but when his colleagues were asking questions of ministers they were speaking throughout the time a minister was answering those questions.

I remember quite well when the Minister of Energy, Mines and Resources (Mr. Lalonde) made his speech announcing the decision. There was no one except the hon. member for Winnipeg North Centre, and perhaps one or two others of that party, who were listening.

Excuse me, Mr. Speaker, I will address you. I want to tell you more about this.

Some hon. Members: Hear, hear!

An hon. Member: Well done.

Mr. Gimaïel: If somebody wants to criticize or speak in the House, it is important to understand what a minister is saying. I can tell hon. members that the intervention given tonight by the hon. member for Winnipeg North Centre is the only one truly based on facts coming from the NDP throughout this debate on the pre-build. All the rest did it for publicity.

Some hon. Members: Hear, hear!

An hon. Member: Right on.

Mr. Gimaïel: And I do not accept this as a member of this House.

I thought the letter "N" meant new. When you are new, you are usually aggressive, especially in the economy. I always thought the letter "D" stood for democratic. Democratic means that when you take a decision you go and see the people in your riding and listen carefully to the people in this country, including the workers and their unions. Usually the letter "P" stands for the party. But I am asking myself now that perhaps the name should be "Non-Development Party" instead of the New Democratic Party.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gimaïel: Mr. Speaker, while addressing my colleagues through you, I shall say that this country called Canada, which has a very important neighbour called the United States, has always developed. It has always been in the forefront because, instead of waiting to see what our American friends would do, we often forestalled them, we provoked them, not with weapons but with ideas and actions, actions we took at the economic and social levels. Today they are looking at us, our American friends, they are looking at our health policies, and they are saying: How do they have social policies which are so strong, which are so good in that country? They want to do the same, but they are far behind.

• (2210)

Today, they look at us when they see that this country has succeeded in respecting its basic cultures, and tomorrow, they will look at us and say: How can you have so much energy at work and so much energy in the literal sense: Oil, gas, electricity, and so on? What this government has decided to do is to use the powers conferred by a bill which said that, provided the required guarantees were there, they could go ahead and build a pipeline. We are doing this because we know that Mr. Carter, in his capacity as President, and the Congress, which represents the American people, needed someone to show leadership to build the Alaska highway

pipeline. We are giving them this leadership and they will act as promised. Mr. Speaker, to do this, you need social and economic awareness.

I was listening to certain members say that we should keep for tomorrow the two trillion cubic feet of gas that we could sell to the Americans. When a country has one million unemployed in such a difficult economic situation for North America and the western world, it has no right to abandon investments of half a billion dollars which can produce $22 billion. If this is gambling, if this is playing heads or tails, as a young Canadian member of Parliament, I am ready to meet this challenge and to gamble, because I am sure that we shall win.

You know, Mr. Speaker, it is very easy to say: We have enough; we shall keep our gas for tomorrow. However, you have to go and see those who are unemployed today, you have to go and see the industries. Even in my own constituency, there are industries directly related to this issue. I am from Lac-Saint-Jean, thousands of miles from where the pipeline will be built. Can we afford to put this problem aside, especially when the workers' unions are telling us to go ahead? These are the same unions for which this party is supposed to be working. They have never worked for the workers. I hear the hon. member for Vancouver-Kingsway (Mr. Waddell) shouting. I am not surprised. We are discussing a motion that he introduced himself in the House. Instead of listening, what is he doing? He is shouting. He can go on shouting, what he says will still be irrelevant. Excuse me, Mr. Speaker.

Just the same, seriousness must be exercised at some point. It is my belief that this government, the government built by the right hon. Prime Minister (Mr. Trudeau), one of the best this country has had and an extremely active one, shares the same concern as the other ones we have had over these last 12 years. And this includes our Progressive Conservative friends, because they did have just the same concern for pushing Canada forward. Even though we disagreed on programs and they made mistakes that at some point brought us back to the government, they had that concern and that seriousness.

Just the same, that concern for the well-being of all Canadians is shared by this government with every other one led by the right hon. Prime Minister, the concern not for the bulk of Canadians, not for Canadian corporations, not for the Canadian government, but for each and every Canadian to have what he needs. It is not good enough that today our young people have to shoulder the hardship of too few jobs. With the pre-build we want to help them, as we have helped them with various programs.

It is not good enough either to assume that future generations will lack some things. Because in my view the most extraordinary trait of pseudo-socialists on this earth is that they are pessimists. They are afraid of the future. We Liberals believe in the future, and to believe in the future one must believe in the present. And believing in the present is going forward. What are we doing here but making a step forward?

Mr. Speaker, I would be remiss in my duty if I continued this debate without mentioning something basic and I hope that all hon. members will understand the meaning of my remarks.

An hon. Member: You blew it again!

Mr. Gimaïel: I wish to know if before taking a stand the leaders of the New Democratic Party consulted someone about this. Their own supporters, the unions are endorsing the position of the government. In our ridings the people have applauded this decision. Everyone here in Canada, except the so-called experts, understand that it is by co-operating with the Americans that we shall get results and also by co-operating with each other and by giving what we have to give to the modern world that we are going to develop as a nation.

When we call our American friends foreigners, we are talking about human beings like us. And someone who comes and tells me that, when we have a reserve of 71 trillion cubic feet of gas and that we cannot sell two trillion cubic feet to our neighbours, probably because they are foreigners, that person completely forgets that we owe most of our modern technology to those same foreigners. That person forgets that we live in the same world as they do and that we are only separated by a black line on a geographic map. They are human beings like us and we have been living side by side for 200 years. Of course, they are not communists, they are capitalists like us. If Mr. Carter was called by another name, if he was from a socialist country, our friends might have more confidence in him, but he lives in a democratic country and is not elected for life, as we know. We have confidence in those neighbours called Americans. Because they have been our neighbours for a long time and we have a good relationship. And they have always kept their commitments towards Canada and they will continue to keep them better than the people of the New Democratic Party, than the hon. member for Winnipeg North Centre—I am sorry but I do not refer to you and your experience when I say this—better than those people have respected their commitments to their electors at the time of the last election. I hope their electors remember that four years from now.

One thing is sure, Mr. Speaker, and that is that our country, under the leadership of Pierre Elliott Trudeau, has become the country whose minorities are the most respected, the country whose social laws are the most balanced, the country whose economic development has best been achieved, the country where inflation has done the least harm to the poor, the country whose economy is developed the most, and now the country with the greatest energy resources; and there are only 26 million inhabitants in the wonderful country the Liberals have built and rebuilt from the bottom up in the last hundred years.

We will not allow a group of pseudo-socialists to set us back a hundred years every decade: that we shall not. We shall

continue to work toward the development of that country and make of it, no matter what our socialist friends think, a capitalist country, a country that is respected, whose social laws are strong, just and fair to all Canadians, no matter where they live.

You know, Mr. Speaker, though I cannot see the Rocky Mountains from my house, I can say one thing: I have never considered even for one moment that my country is limited to my Lac-Saint-Jean area. If there are people in this House who think that because gas is sold on the other side of the Rockies those who live on this side of them have to do without, they are mistaken, because the people in British Columbia will continue to sell gas, if they so desire, as will the people in Alberta. But the people in eastern Canada, as the hon. member for Annapolis Valley-Hants (Mr. Nowlan) said a few moments ago, will also be able to benefit from the pipeline we are about to build.

In conclusion, I want to emphasize the hard work done by each minister and by each member of Parliament in the last months. But never, Mr. Speaker, will I forget the filibuster orchestrated in committee by the New Democratic Party during the last few weeks, and the publicity that they have tried to get from the House in the past few days. I am going back to my constituents, I will try to listen to them and hope they listen to me.

● (2220)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the speech we have just heard is the type that we generally get during an election campaign, and not in a place where words carry their full meaning. It was similar to some speeches I heard during the campaign in Quebec, over gas and oil. It was very confused in some respects. However, I must say I admire the hon. member for his enthusiasm. Since he is a neophyte in the House I hope we will have the opportunity to hear him again in the future.

I would indicate especially to the party whip and the House leader that they should not be in such a hurry to muzzle government backbenchers. There is always that tendency. Tonight I do not really want to talk about the issue raised by the socialists, but I would like to address the question of the pipeline. However, since the person concerned speaks only English, I will continue in English. I will return to the discussion on an issue which concerns us all here in the House and in Parliament, the entire administration.

[*English*]

I do not want to say anything about the pipeline tonight.

An hon. Member: You don't know anything!

Mr. Lambert: Oh, I have heard from some of those bayers in the NDP whose only connection with the petroleum business is when they drive up to the pumps with their cars and say "Fill 'er up!" And then they blast away with gas at subsidized prices. That is all they say, and that is all they know.

Some hon. Members: Oh, oh!

Mr. Lambert: I want to talk about that other individual known as the hon. senator from southern Alberta who is a member of the cabinet and who last Saturday, in Calgary, at a press conference, would never have made a statement about all the Alberta members of this House and their stand on the so-called pre-build section of the Alaskan gas pipeline had he been looking at me or any of my colleagues face to face, because he would have been called a bare-faced and public liar, twisting for purely partisan purposes. That is a measure of the bankruptcy of the Liberal party in Alberta, and that is all I say.

I want to talk about something which affects hon. members of this House even more. Certain events have transpired during the last few weeks which highlight this problem. First, we have received the eighth report of the advisory group on executive compensation in the public service. This touches on salaries, allowances, and other conditions of employment in what is known as the DM-SX salary range which will be revised effective April 1, 1980. At the lowest level is the SX-1 where the minimum of the range is $36,800 rising to a maximum of $50,600 up through six ranges to a DM-3—Deputy Minister 3—where the minimum is $68,900 to a maximum of $85,700. That is in the public service. The commission explained how it arrived at the increases—the 9.5 point increase at the mid-point of the various ranges.

Then there appeared Bill C-34 which is an amendment to the Judges Act, highly overdue, providing for increases in the numbers of judges, increases in pay, the changing of the pension structure of federally appointed judges, the salaries of the Auditor General, the Commissioner of Official Languages, and the Chief Electoral Commissioner. Now, Mr. Speaker, I indicated that the maximum salary potentially paid to a DM-3 was $85,700. Under this act, the Chief Justice of this country will be paid $88,000, and variously down, so that justices of the Superior Courts of the Queen's Bench Division, the Federal Court, will be paid $70,000 per annum. There are two catch-up phases dated April 1, 1979, and April 1, 1980, each of $6,500.

However, there is an additional feature which some of us find disturbing—I do—and that is a provision whereby what had been a contributory pension scheme introduced in 1975 after a good deal of pressure from members of this House on both sides is now being revoked, and all that will be collected by way of pension contributions from federally-appointed judges will be a one per cent levy toward a supplementary remuneration act which provides for increases in the pension due to inflation.

I seem to recall—and at this point my figures are rather rough—that this non-contributory pension scheme is about the equivalent of another salary, because if tax were paid on that second slice it would yield tax dollars which, if invested in an annuity, would yield about the retirement pension of a federally appointed judge. Incidentally, the minimum period, now by right and not by consent of the minister as heretofore, will be 15 years, but in some cases only ten years of tenure will entitle

a judge to receive a full pension on retirement for whatever reason—it may be disability and so on. In any event, ten years is the minimum period. But the average period is 15 years of service.

The third event was a report during the past few days that there has been discussion among members of Parliament about changes to be made to our own pension scheme. The press talked about secrecy and so forth. Since I was involved, I want to say quite candidly that we have been looking at certain details and testing out members to see what their reaction was to certain proposals. This is the point the process has reached. The maximum pension payable to members requires 25 years of service which can be made up, in the case of ministers, on the basis that the salaries they touch as ministers may count as payments into the scheme. But an average working member of Parliament must put in 25 years of contributions.

● (2230)

When we consider that the average period of service in this House is somewhere between six and eight years, we can readily see that only a limited number of people will reach the 25-year mark. If the good Lord allows me another year or less, I will have achieved 25 years of service.

Some hon. Members: Hear, hear!

Mr. Lambert: Other colleagues of mine have achieved this, such as the very eminent chairman of the Standing Committee on Management and Members' Services, the hon. member for South Shore (Mr. Crouse), and others. We speak with a certain amount of dispassionate interest because nothing that is done affects our pensions in so far as we are concerned.

When I came here 24.5 years ago, my salary as a member of Parliament, my expense allowance and my allowance as a parliamentary secretary, were in excess of the salary of an assistant deputy minister. Now an assistant deputy minister can buy me out twice. It was the same situation with the salaries of county court judges. My salary plus expenses actually exceeded the remuneration he received from the federal side. He was compensated in some way by the surrogate fees to which he was entitled under a provincial pay scheme. Now that self-same judge receives $65,000.

We in this House have a real problem respecting our salaries compared to those of heads of Crown corporations, the governor of the Bank of Canada, people appointed to the PMO under order in council, and ranking House officers on the administration side. A very disparate gap has crept in over the years, all because the different groups are marching at a different step to a different tune, resulting in these particular dislocations.

We know the salary scales in government agencies and banks. For instance, the salary of the Prime Minister (Mr. Trudeau) is less than that of the Chief Justice or that of the Auditor General. The Auditor General receives $78,000 and the Commissioner for Elections receives not much less than that, as does the Commissioner for Official Languages. But there are very senior people, such as the governor of the Bank of Canada and the president of the Federal Business Development Bank, whose salaries are tied into that of the Prime Minister. That result is in the middle-range salary levels where there is a total bleedout of trained personnel.

When I look at some of the agencies which perform essential services for government, I wonder how those at the top management level can possibly tolerate the situation where they train bright, young men and women, and lose them because they cannot pay adequate salaries. Where does this all lead? As I have a notice of motion on the order paper, I would advocate to hon. members that we follow the example of our friends in Australia. In 1973 they set up a remuneration review tribunal under the remuneration tribunals act, 1973. This body was named by the governor in council and headed by a state-appointed judge, not a federally appointed one. This tribunal reviews all salaries of judges, Crown corporations and public servants. Also they have a different tribunal which touches on what they call tertiary educational institutions.

I should like to refer to their report of 1979 which reads in part as follows:

> We have followed the practice established by the tribunal in past reviews. Advertisements were placed in 16 newspapers indicating the coverage of the review and inviting interested persons, organizations and associations to submit in writing any reviews they consider should be taken into account in the review . . . Also, as in earlier reviews, letters were written to the Prime Minister (inviting an over-all submission from the government)—

The government does not make a decision in this regard. The government is merely a party making a submission to a tribunal. It continues:

> —to the leaders of each parliamentary party (inviting a submission from each party), to each member of Parliament (including supplementary requests to each minister inviting submissions on holders of first division offices and holders of public offices within his portfolio), to the Attorney General (inviting a submission relating to judges), to the Chief Justice and to the chief judges of other federal courts, to all first division officers of the public service, and to individual statutory office holders or chairmen of statutory authorities covered by the act.

In 1979 they received 388 written submissions, which was an excellent review and testing of public opinion. Nothing was done on the quiet. They brought in a report. The government made certain comments with regard to the holding of salaries in certain branches, and the commissioner said:

> We are not persuaded that we should follow this course.

Then, according to the act, the report is given to a minister who reports on behalf of the tribunal, and within 15 days of its receipt he must table it in the House. The report will take effect, unless within 15 days of its receipt or tabling there shall be passed a motion in either House objecting to it. If the motion objecting carries, it all stops. But the government itself is not party to the appointing of the commission, and it defers its own discretion to some time in the future. The beauty of this is that a professionally constituted and practised body examines the requirements of office and the salaries that should be paid. It is able to weigh them all, one against the other, and maintain a semblance of justice and continuity.

● (2240)

There is no question, as in the Judges Act, of appointing commissioners after three years who will then examine the situation with regard to judges over and beyond the cost of living clause which is included in the bill which will widen the disparity between, shall we say, this House and members of the judiciary or the public service, and it seems to me that we have to put some rationality into this whole system. And what better way, because members who were here in 1974 will remember the road to Calvary, preceded by the Gethsemane in their constituencies, with regard to proposed salary increases, which were modest enough as they were, but having been deferred so long they appeared to be inordinate at one time to some people.

Somehow the public got the idea that it was wrong for elected bodies to set their own salaries. Do the publishers and editors of newspapers, who are directors of publishing companies, not set their own salaries? Do directors who are officers in private corporations not set their own salaries? It is done every day, but somehow there is some sanctimonious clap-trap which drops out of academic circles and which is found in newspaper columns that it is wrong for people to vote generally about their own salaries. It is the same way, for instance, that I vote for changes in the War Veterans Disability Pensions Act. I am a recipient because of some difficulties which arose during war service, and am I wrong in advocating changes in that or changes in prisoners of war compensation legislation because I was a prisoner of war? Am I wrong? What is wrong there?

However, let us go along to meet the objection which appears in public quarters in an attempt to remove this inequality of compensation at this level. I hope the government will soon bring in a bill based upon the Australian bill so that we have a proper, independent remuneration review tribunal at the public level, and then we will be much better off. Incidentally, this must include pensions.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say at the outset that I am very proud to be a member of this House and to be a Canadian, but I wish to say that I am not very proud of the government of my country this evening because it has perpetrated here one of the potentially greatest sell-outs and one of the greatest rip-offs we have seen in the history of this country. The government has made that decision without a discussion here in Parliament, without guarantees from the Americans and without input by this Parliament, and I think it is about time we, as parliamentarians, had more input in the decision-making in this country and that we built a Canada in which we used our resources for this generation of the Canadian people and for generations to come. We should have some kind of vision of Canada, Canadianism, sovereignty for our people, nation building and nationhood, and I am afraid I do not see it in the sell-out which was announced by the Minister of Energy, Mines and Resources (Mr. Lalonde) just a few days ago in this House.

Why do I say that? We have heard many arguments made by my party already without regard to the fact that we have absolutely no guarantees that the rest of the line will be built. We have no guarantees whatsoever that the Americans will indeed spend money on the rest of the line. We have no guarantees with regard to a swap, and there is a possibility that in the future we will have shortages of natural gas in this country.

I said that Parliament was not involved, and I heard some mumbles in the back benches of the Liberal party. I heard mumbles from some of the quiet back benchers who never speak except from their seats. They are beginning to be a bit concerned, and I want to say to them that there is a Northern Pipeline Act, and there has been a number of people who have questioned whether the government has the legal authority or power to do what it is doing under that law. Many people have said that the government does not. However, leaving that aside, I want to say that the pre-build is the beginning—if it is to be concluded—of the most expensive project ever undertaken in this country. Its cost will be $23 billion, and yet this institution, Parliament, is having no say at all in the matter.

We have not had a committee of this Parliament. We have not had a committee to look at the question. We did not have a debate before the decision was made. What we are having tonight is a debate after the fact. We are asked to rubber stamp a decision which has been made by the government. It has been made by the minister in the Senate and by the Minister of Energy, Mines and Resources. What is Parliament? Are we a bunch of political eunuchs who do not have any real clout or say? Where does the power reside? Does it reside only with the Prime Minister (Mr. Trudeau), the PMO and the PCO? Does it reside only with the cabinet and the senior bureaucrats and in the board rooms of some of the corporations of this country?

Mr. Blaikie: Yes.

Mr. Nystrom: The other thing which makes me rise in this debate after spending some 12 years as a parliamentarian is that I think more and more people are becoming cynical about the governments and politicians of this country, and they are becoming so with just cause.

I have taken the trouble to look up statements made by Liberals in the House in the last few months, and I think we would be doing the people a great service if we were to take the December 6 *Hansard,* frame it, and send it out to every single voter in this country to show voters the hypocrisy of the Liberal party which sits across the way.

Some hon. Members: Hear, hear!

Mr. Nystrom: I will give a few examples. Old "ironclad" or "ironside", the Minister of Energy, Mines and Resources, said on December 6 after the Conservative government announced the selling of 3.7 trillion cubic feet of gas to the United States, and I quote:

I think that today we had another unbelievable statement from this government. I think this statement will be one that Canada will live to regret and that may go down in history as one of the greatest sell-outs we have seen.

The same minister six months later announced an even greater sell-out of natural gas to the United States. Is there any Liberal in this House who can justify that type of flip-flop and hypocrisy?

The hon. member for Spadina (Mr. Stollery) is walking out behind the curtain in shame. He is embarrassed and has a red face. Look at him.

Mr. Stollery: Mr. Speaker—

An hon. Member: He is back.

Mr. Stollery: I would just like to point out to the hon. member who is speaking, who alluded to me and who said I was standing behind the curtain, that if there was any reason for me to have walked out, which I did not, it would have been the tedious boredom brought about by his speech.

Mr. Nystrom: Mr. Speaker—

Mr. Rose: He is gone again.

Mr. Nystrom: That is about how serious the Liberal party is.

Mr. Cullen: Let's try somebody else.

Mr. Nystrom: Somebody else?

Mr. Cullen: Not me.

Mr. Nystrom: In the same speech the Minister of Energy, Mines and Resources said, and I quote:

In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing plan and the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

● (2250)

I asked the Liberal party how seven months later they can justify exporting even more natural gas to the United States without any guarantees whatsoever, except a letter from the President of the United States, which is hardly worth the paper it is printed on, a joint resolution of the American Senate and of the American Congress. I could go on and on about the sell-out, hypocrisy and flip-flops of the Liberal party. I have here a quote of the hon. member for Davenport (Mr. Caccia) which can be found at page 2103 in the December 6, 1979, *Hansard*. It concerns the sell-out of natural gas by the Conservative party. The hon. member weeps, groans, moans, and crocodile tears run down his face. He says:

Mr. Speaker, I should like to ask a question of the minister. I should like to know from him whether, in the export sale he announced tonight, he intends also to include in the bargain for export his mother and his father, his grandmother and his grandfather, his daughter and his son, his granddaughter and his grandson; all the children, sons and daughters and all the grandsons and granddaughters of the 23 million Canadians whose heritage he is supposed to protect? Will he answer this question, please?

I would like to see the hon. member for Davenport come into this House and vote on the motion which is in front of it this evening. Is he still concerned with the sell-out and with the heritage of his children and grandchildren? If he is, how can he sit in the Liberal party which now intends to sell even more natural gas to the United States than was authorized by the Conservative government a few short months ago? One can go on and on. One can find here a statement by the hon. member for Thunder Bay-Atikokan (Mr. McRae) who said, as it is reported in the same issue of *Hansard*, at page 2104:

I find this additional export permit a very, very dangerous thing. It disturbs me a great deal.

How can the Liberal party say one thing when they are out of office, but when they are in office say exactly the opposite? Is it any wonder at all why more and more people are growing cynical toward the Liberal party which sits across the way? Surely to goodness the two characteristics in politicians that are important are consistency and honesty. I see one or two Liberals nodding their heads. The Liberal party is exhibiting exactly the opposite to consistency and honesty. In fact, on this issue and other issues, that party has taken more positions than the very famous person Xaviera Hollander. I think that is an absolute crime, that the government of this country would get up and do such things.

Mr. Cullen: He is getting sore now.

Mr. Nystrom: I notice that the trained seals are getting very excited. It is no wonder that they are very excited. We have had a debate now for several days and not one cabinet minister has participated in that debate. I ask why it is that the most senior person on the other side of the House to speak in this debate is the good old friend from Lincoln (Mr. Mackasey), the famous old parachute from Lincoln? He is the only person of any stature in that party who has participated in this debate. Where is the Minister of Energy, Mines and Resources, the Prime Minister, or the Deputy Prime Minister (Mr. MacEachen), who is negotiating for the pipeline? I would like to know where these people are and why they are not participating in the debate which is before the House.

This is a very important debate, and the way in which the government is handling the matter and their disrespect for Parliament cause a great deal of concern. I can just see the way in which they are treating Parliament now that they are a majority. The opposition does not count any more. Members are nobodies once they are a few feet off Parliament Hill. It is not only the decision on the pre-build without a parliamentary committee, but it is the mini-budget in April brought in by the Minister of Finance without any consultation with the opposition parties and the oil tax announced a week or two ago without any consultation with the opposition parties.

There is a very serious constitutional discussion going on in this country without a committee of this Parliament looking at the constitution. This is very important, yet the government said that it would consider establishing a committee of this House to look at the constitution. We have had no special

debate at all in this House on the constitution, except for the one day on an NDP motion on about May 21 or May 22.

Will the government consult Parliament and involve Parliament in these matters? If it does not involve Parliament and parliamentarians, I suggest that it is a tremendous slap in the face to Canadian people, because if there is one place where we must defend freedom at its ultimate, it is in this institution of Parliament.

Some hon. Members: Hear, hear!

Mr. Nystrom: I suggest that the government is very arrogant in the way in which it is treating people in this country.

Mr. Foster: It is too late for the news, Lorne. Sit down.

Mr. Nystrom: All the Liberal members can do is sit back and heckle. I would like to see one of them get up in this House and talk about the need of keeping our resources, our gas and oil, and developing them for Canadians of future generations. Instead, we have a lot of talk that we must sell out very quickly to the United States so that we may make a few bucks.

No hon. member in this House has mentioned the fact that both Canada and the United States are energy gluttons. We consume a great deal of energy, while two-thirds of mankind in the world live in countries that are very poor, where millions of people are going to bed hungry every day because they do not have enough food to put into their bellies. Yet this government is concerned about making a few bucks on the short term by selling our gas to the United States.

There are a number of risks in constructing the pre-build portion of the pipeline. A number of hon. members have mentioned many of them over the past couple of days, but I want to cover them very quickly again. The first risk is with regard to cost overruns. About three years ago when we began talking about the pipeline it was said that it would cost $8 billion to construct the pipeline in its entirety. The projection now is for a cost of $23 billion or $24 billion. That will make Drapeau look very insignificant. It will make the construction of the Olympic complex look like a Sunday school picnic in comparison.

Another risk concerns the investment of the Canadian people. I suggest that it is not a very sound investment when one looks at all the tax concessions given by this government and the government of Alberta to people who invest in the oil and gas industry. Approximately 90 per cent of every deal is written off in income tax, and only about 10 per cent is put out by the companies themselves. What we are doing is financing the takeover of our economy and our resources with our own money. Our control is vested in the hands of the large multinational corporations, many of which are from outside this country.

Need I remind the government opposite that the five largest exporters or producers of natural gas in Canada are Shell Oil, Gulf Oil, Imperial Oil, Hudson's Bay Gas and Oil Company, and Amoco. There is only one company which is controlled and owned by the Canadian people, and that is Petro-Canada, which is now involved in producing natural gas.

Mr. Kempling: How about Husky Oil?

Mr. Nystrom: If we intend to use taxpayers' money to develop gas and oil in this country, then the taxpayers should own and control that company because we are paying for it with our own money.

Another matter which should be of concern to this House is the possibility that the Americans may never build the rest of the gas pipeline, because they are discovering more gas reserves in the lower 48 states. There are more and more gas reserves being discovered in Mexico, and there is the very fact that we are building the pre-build, which means that we will export more and more Canadian gas from Alberta to the United States. Because of that increased supply there will be less pressure on the United States to build the rest of the line. Why should they? They will get the gas from us, the cheapest possible source. If they can get it from us and if we are stupid enough to sell it to them, then, of course, they are going to be content.

● (2300)

There is a very good chance that history may be repeating itself. If you think back to the 1960s and early 1970s you will remember that we were selling very cheap oil to the United States then at $2.50 and $4 per barrel. Just a few years later, despite the fact that the National Energy Board and the minister of energy at that time, Mr. Green, said that we had a lot of oil in this country—enough to last for dozens of years, even hundreds of years—we are running short of oil. We are now faced with mining and refining the very expensive tar sands oil. We sold our cheap oil, and now present and future generations will have to pay world price for oil. That is the fault of the Liberal government sitting across the way. That government decided to ship out cheap Canadian oil in order to make a few bucks. They did it without foresight or plan, and now we have to pay high prices for imported oil from the United States or Venezuela.

I have one minute left, Mr. Speaker, so I want to say in closing that I wish this government had spent some of that money to expand the pipeline into eastern Canada. If they had, people in the Atlantic provinces, people in Halifax, New Brunswick, Newfoundland and Prince Edward Island would have access to Canadian gas. We could use that Canadian gas as a substitute for oil. If we have a good supply we can use it to make our industry more competitive, to heat homes across the country, and thus ease the pressures of the cost of living on ordinary Canadians. We should be saving it for ourselves and for future generations. We should be thinking about the future of Canada, Mr. Speaker, about building a nation and exerting our sovereignty and independence to build a strong country for Canadians.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Hear, hear!

Mr. Doug Frith (Sudbury): Mr. Speaker, I welcome this opportunity to add my thoughts to this debate on the pre-build section of the Alaska pipeline. For the last seven days, and indeed in the last 24 hours, I have had the opportunity to hear from what I call the party of fiction in this House, the New Democratic Party.

As a backbench member of the Liberal party I welcome the opportunity to put forward some facts on the matter and to get away from the rhetoric of the last 24 hours.

The hon. member for Lac-Saint-Jean (Mr. Gimaïel), who spoke previously, said that having listened to members of the New Democratic Party in the last several days he felt they should switch their name from the New Democratic Party to the Non-Development Party. That comes as no surprise to me, Mr. Speaker. When I hear the hon. member for Yorkton-Melville (Mr. Nystrom) referring to cynics on this side of the House, then, as a young parliamentarian who has only been here since February 18, I share the feelings of the hon. member for Lac-Saint-Jean. When I came here I expected to find that most members in this House would deal with their philosophies and feelings. I agree with him when he says that the only speaker from the New Democratic Party with some credibility in the last 24 hours was the hon. member for Winnipeg North Centre (Mr. Knowles). I do not know why that came as a surprise. I was not surprised to see the cynicism developing on the other side of the House.

When we went through the recent referendum debate in this House, two parties supported the federalist position on the Oui-Non issue in the province of Quebec. Only one party refused to take a stand—the New Democratic Party.

Some hon. Members: Hear, hear!

An hon. Member: That is not true and you know it.

Mr. Frith: I expect that to some extent the reason the New Democratic Party—the party that claims to be the social and political conscience of our country—refused to take a stand on the critical issue in the province of Quebec was that many workers for the New Democratic Party who reside in the province of Quebec supported the separatist faction in that province.

I am only going to dwell on two particular issues, Mr. Speaker, to set the record straight on behalf of the Liberal Party of Canada. First, I should like to deal with our commitment in the Speech from the Throne when we stated that one of the key sectors of our economy, where we wanted to have greater Canadian control, was the petroleum industry. Unlike the New Democratic Party, when the Liberal Party of Canada makes a commitment, whether in the Speech from the Throne or in a policy statement made by a minister in this House, we at least put our actions where our rhetoric is. That is not like the rhetoric I have heard emanating from the New Democratic Party in the last few days.

An hon. Member: Give us the facts.

Mr. Frith: When the hon. member for Vancouver-Kingsway (Mr. Waddell) said we should not sell our Canadian gas but save it for our own consumption—then I suppose if I were the member where Alice in Wonderland resided, I could understand his statement. But I do not live in a riding that represents the Alice in Wonderlands of the world, Mr. Speaker. I live in and represent a riding that has a good cross section of Canadian population. They not only have dreams about where this country is going but are prepared to accept reality in order to make those dreams come true. That, unfortunately, is the problem with the New Democratic Party. They are unable to face reality in order to attain the dreams that people on all sides of this House have for this great country of Canada.

Some hon. Members: Hear, hear!

Mr. Frith: The Minister of Energy, Mines and Resources (Mr. Lalonde) has restated several times the commitment made in the Speech from the Throne to increase Canadian ownership of our petroleum industry. This was part of the complex decision to go ahead with the pre-build. The minister responsible and other members on this side of the House have admitted that this was a risk decision. I will say that the reason the Liberal Party of Canada has been the Government of Canada so often in the years since confederation is that we have been able to marry reality with dreams.

When we talked about increased Canadian ownership of the petroleum industry, one fact that has not come out in the debate so far is that 70 per cent of the exploratory wells are being drilled by small Canadian firms. It is not that they are not successful Canadian firms; they have been quite successful in finding new gas deposits. The problem has been the inability to send the gas to a market. As a result, these small Canadian firms have been squeezed by the banking community and others to the point that they have a cash flow problem. The government—the Liberal party—recognized that if we were not to proceed with the pre-build section of the Alaska pipeline, those who would suffer the most would be these small Canadian firms. One of two things would have occurred. They would have had to go further into debt to the banking institutions of this country, or they would have had to sell out to the large multinationals which can afford to wait for the decision.

The government made a very conscious decision to help the Canadian ownership content of our petroleum industry—unlike the New Democratic Party which has always mouthed that principle but when it is time to vote on a pre-build to make that a reality they had us go through a two-day debate. I welcome the opportunity at midnight to stand up and be counted, Mr. Speaker. We know where we stand, but I do not think that party ever understands where they are on any given issue.

There may be another definition for the NDP. Earlier we said it was a non-development party, but given their record in this House in the last three months perhaps we should call them the no-decision party. Whenever it has been convenient for members of the New Democratic Party to use figures from Statistics Canada they do not mind using them as long as they

fit in with their thinking. When the National Energy Board states that Canada, particularly as a result of the increase in exploration in the last five years—largely under policies developed by a Liberal government—has a significant excess of natural gas—

• (2310)

Mr. Clark: Is that the Liberal government of Alberta?

Mr. Frith: Had the decision by the government been not to proceed with the pre-build section of the Alaska pipeline, foreign money markets probably would have resulted in a drop in the Canadian dollar which, in turn, would have made the oil imports to this country much more expensive and increased our deficit.

Mr. Rae: Who am I to believe?

Mr. Frith: The hon. member for Broadview-Greenwood (Mr. Rae) has asked us to give the facts. Quite frankly, I think in the last two days the Liberal party has attempted to give the members opposite the facts but they choose not to believe them. We have in front of us telegrams from unions and companies. Several members have stoop up and stated that fact. They are all in support of the pipeline. They choose and they do not want to believe it. They do not wish to believe the statistics given by the National Energy Board.

Two weeks ago in this House I sat and listened to a non-confidence motion in this government put by the New Democratic Party. It said that the Liberal party had mismanaged the economy. The NDP complain every day about the size of the unemployment rolls in this country. But when we try to do something about it by going ahead with the pre-build, they are against it. When they talk about the very little real growth in the gross national product that has occurred in Canada or that is projected for the next year, they complain about it. When the Liberal Party of Canada attempts, through a decision made by the cabinet, to increase our gross national product—which this pipeline will do to the tune of 0.2 per cent this year and which will rise to 0.7 per cent in 1985—they sit there and vote against us.

When I hear the hon. member for Hamilton Mountain (Mr. Deans) complain about the unemployed in his particular riding and all throughout southwestern Ontario with the auto layoffs, etc. and the Liberal government decides to go ahead with the pre-build which will add 23,800 man years of work in the Hamilton ridings alone, the hon. member sits there and votes against us. It is no wonder, as the hon. member for Yorkton-Melville has stated earlier, that some Canadians find politicians to be very cynical. It is not from the actions or results of the Liberal party or this government; it is from the actions that I have seen taken by the members of the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Frith: I am not going to belabour the point. The Government of Canada has come up with a policy which will add to our gross national product. It will help us in terms of creation of manpower over the next several years. It has been able positively to help Canadian ownership of the petroleum industry in this country.

I will not be afraid to stand up here in 57 minutes time and vote with my conscience. I know exactly what I will do when I come to vote. It is more than I can say for the members of the New Democratic Party who sit in this House.

The reason I welcome this debate is that I am not afraid to face the Canadian people and give them the facts of the matter which contradict the fiction and Alice in Wonderland stories that I have heard emanating from the other side of the House for the last 48 hours. Perhaps when this is all finished the Canadian public will understand that the Liberal party stands for compassion in this country. It stands for a dream, but it also stands for a government which has the ability to govern and take gutsy decisions to make this country become the dream that we all have in this House.

Perhaps when it is all said and done and the vote is taken this evening, Canadians will see the New Democratic Party for what it truly is, that is, a party of opportunists and cynics.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I do not want in any way to diminish the fervour of the rhetoric by commenting on the speech which the hon. member for Sudbury (Mr. Frith) has made with respect to the Liberal party. If I have a few moments later on, I can tell everyone in the House about the Liberal party.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I hope my friends on the other side will listen, but what concerns me in this debate, and I think ought to concern every Canadian, is not the Liberal party at this point in the discussion but the New Democratic Party.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I want everyone to cast their minds back to about a week ago when there was a discussion in the media by the Leader of the New Democratic Party (Mr. Broadbent), who unfortunately is not here tonight to take part in this debate.

Mr. Epp: He has gone to see Dennis McDermott.

Mr. Baker (Nepean-Carleton): He may be out talking to the United Steelworkers.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): In any event, I draw everyone's attention back to that party over there with respect to this pipeline, with respect to the export of natural gas that they were going to fight on the beaches, they were going to fight on the landing fields, they were going to fight in the Rockies, on the backs of the poor and the disadvantaged, but today they

are going to fight there, but do not dare ask us to fight beyond twelve o'clock tonight.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I agree with my friends over there. It is not often that I do, but from time to time I am overcome and I will agree with them. I agree with them now that they are the non-development party. With respect to any issues they are the *peut-être* party—the perhaps party. They are the potential danger party. They are the party of concern. They are the rump of pity and compassion.

An hon. Member: That says it all.

Mr. Baker (Nepean-Carleton): That is what we have.

Madam Speaker—Mr. Speaker, I apologize. I also apologize to Madam Speaker.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I do not want you to think that they are not above misleading the House—just a little wee bit. It is not enough to amount to that accusation of mine being a question of privilege because everyone knows how I love the rules of this place. But, just a little bit. What they tried to imply in the debate tonight was that at no time was Parliament consulted with respect to the Alaska pipeline. There was a long involved act of Parliament, the leadership for which was taken by the hon. member for Yukon (Mr. Nielsen) with respect to the development of that act. The position of this party, my party, with respect to that act was clear in 1977. It is clear tonight, that it is in the best interests of Canada to have the Alaska pipeline built.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Even if the NDP would like to have it that way, even if they would like to have a bunch of helicopters carrying that whole pipeline and dropping it into place, that pipeline cannot be built that way. If we were paving the road in front of the house of the hon. member for Winnipeg North Centre (Mr. Knowles), we would have to pave it in sections. The same is true of the pipeline. We have to build a pipeline in sections, too. That should be obvious. It should be equally obvious to the hon. member.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Mr. Speaker, I really have them riled up. I did not intend to do that. I am sorry. I am glad to see the Prime Minister (Mr. Trudeau) has come into the House tonight. We can talk about the terms and conditions.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I have indicated clearly and the hon. member for Perth (Mr. Jarvis) has indicated what the position is and how absolutely silly it is for us to regard this matter of pre-build in any other way but the first step in the development of that pipeline.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): We might as well face up to it. The hon. member for Winnipeg North Centre has been praised tonight. I will join in giving him the paean of praise that he deserves for his years of service. Sir John A. Macdonald told me he met him the first day he came to this place! However, his memory is a bit faulty. He tried to liken this situation to the pipeline debate in 1956. We all know what happened in the pipeline debate in 1956. There was a gross abuse of the rules in 1956. As a result, a Speaker resigned. As a result, the Speaker tried to turn back the clock. As a result of that, the late M. J. Coldwell, one of the heroes of socialism in Canada, got out of his seat, marched up there, and nearly grabbed the mace. I did not see the New Democratic Party doing that tonight.

• (2320)

The New Democratic Party says this is illegal. This government, in fact all governments, have to act on advice. If governments mislead the House, if governments get faulty advice and act on it, then governments are responsible. We have been told by a minister of the Crown and, as I said to him, he spun out his credit with that statement the other night, if he is wrong and misled the House, then he is in danger of losing his place in the ministry. That is why I am glad the Prime Minister is in the House tonight.

We were told by that minister that it was all legal and proper. We have to accept that advice. There is nothing else we can do. As the Prime Minister says, it is a judgment call. It is on his head if the judgment call is wrong. However, if the New Democratic Party is really concerned about legalities and illegalities, then the remedy is not in this Parliament. It is in the courtroom, and I ask them to put their money where their mouths are.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): That is the clear position. The hon. member for Vancouver-Kingsway (Mr. Waddell) says "politics is in the House." He is the first member I have ever heard to state that there was any politics in the House of Commons. If he is right, Mr. Speaker, "the politics is in the House" all right and the political publicity seekers are standing right over there to my left.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): The position is this. If that party really honestly believe in the principles and the position that they are taking, we would not be creeping out of this House at 12 midnight. We would be fighting in the battlefields, in the oil fields and in the gas patches. The hon.

member for Winnipeg North Centre would be up there swinging the mace around his head like you swing a cat by the tail and saying, "A pox on both your houses". He is not doing that tonight. He is sitting there meekly and quietly, waiting to spin out the clock until twelve o'clock.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Finally, let me deal with the hon. member for Yorkton-Melville (Mr. Nystrom). That hon. member was weeping his crocodile tears by the bucketful. He had to go out and change his shirt because it got wet. He said we ought to extend the pipeline into eastern Canada. Of course we ought to do that. The fact that it is not started now is as a result of the neglect of that government over there. The hon. member for Sudbury does not cheer about that.

Does the hon. member for Yorkton-Melville not remember what the hon. member for Annapolis Valley-Hants (Mr. Nowlan) said? He said that if there is to be that extension, and it has to happen of course, then the wherewithal has to come from somewhere. That was a commitment by that government as well. We intend to see the government live up to that commitment, to provide the wherewithal to develop that pipeline.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): What we are debating tonight, and let us not forget it even though it has developed into a pipeline debate, and other members have spoken on other subjects as they have the right to do—

An hon. Member: Only Conservatives.

Mr. Baker (Nepean-Carleton): Other members have certain rights, even if the hon. member for Yorkton-Melville will not recognize it.

Mr. Hnatyshyn: Some don't speak at all.

Mr. Baker (Nepean-Carleton): Some don't speak at all, and some make their best speeches from their seats.

What we are dealing with tonight is a motion to adjourn the House, not a giant filibuster, not a fight to the death by the NDP but crawling out from the position they have been put in by the United Steelworkers of America and every other person in this country who is interested in development. That is what we have here tonight.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, after listening to the speech by the hon. member for Nepean-Carleton (Mr. Baker), I nearly forgot what I had to say. In any event, I will be very brief and perhaps in a somewhat less partisan speech I would like to join with my colleagues and stress the constructive work done by all hon. members of the House during the period of the present session just ended.

I think we should pay tribute to all our colleagues for the good work they did in the House, and perhaps not only our colleagues but, in the final analysis, all employees of the House. Indeed, as was mentioned, over 25 bills were passed. This means we still did a good job in this latter part of the session. What is very offending and shocking is to see the New Democratic Party persist in wanting to keep this House working. Mr. Speaker, we have no objection to remaining in here a week or two more, not at all. But what shocks us and what is offending is that they want to give the impression that we did not do our job. They want to give the impression that we have to stay here a little longer to earn our salary. That might be the case for the members of the New Democratic Party but certainly not for members across, the Conservatives, and the Liberals.

What is shocking is the impertinence of the members of the New Democratic Party in talking against the construction of the pipeline when you consider, Mr. Speaker, that the projections from here to 1985 show we are going to be importing an average of 730,000 barrels of oil a day. We are going to be importing that every day. And in return, we also have natural gas that we can swap. The NDP members do not accept this kind of deal. Imagine, we should import, pay with our money and keep the natural gas for the future, for our children. I find this impossible to understand. How can these people go to their constituency during the summer or during their holidays, Mr. Speaker, and look their constituents in the eyes and tell them: We have tried to take the bread out of your mouth with false principles and false scruples. In another context, since I am one of the last to have the floor this evening, I would like to take this opportunity to tell all my fellow citizens, whether from the east or from the west, in my capacity as a Quebecker, that they have all our affection, I wish them and all our hon. colleagues pleasant holidays. We must not forget those who cannot enjoy a summer vacation because they are in hospitals, and so on. I would therefore like to tell all our fellow citizens that they are my brothers and that we shall have to use the summer vacation, which may last two weeks or one or two months, to meditate on the future of our country. If this country must go on, Mr. Speaker, either we separate immediately and everyone will do his best to get the most for himself until the country breaks down, or else we must form a whole in this country. In closing, I would like to wish all my colleagues and all Canadians a very pleasant vacation.

● (2330)

[*English*]

Mr. Bill Wright (Calgary North): Mr. Speaker, I, too, am very happy to rise tonight to speak in the pipeline debate. First, let me say that as a new member there are times when I am pleased with the role we all play as members of Parliament, in forging our country's future. At other times I am disappointed and frustrated at the length of time it takes to achieve the desired results.

Mr. Speaker, I have to say, as a new member, that I am disappointed and, in fact, alarmed at the filibustering nature of the New Democratic Party. I had assumed that these members, both individually and collectively, were interested in the orderly treatment of events. However, even though I know that some members of the New Democratic Party, especially new members, wish to contribute as much as they can, I believe that as a party they act neither for their constituents, their regions, nor for their country. This filibuster by the NDP, which has turned into a pipeline debate, is nothing more than an attempt by the New Democratic Party to attract and keep the attention of the media. If they could not retain the attention of the media in Canada I am sure they would be the first out of the doors. And when I say that they would be first out of the doors, I mean that they, too, as well as the rest of us, have commitments to their constituents.

All too often we all have the tendency to think that the world begins and ends here. But that is not so. As members of Parliament we have an equal commitment to our constituents, and we must never forget it. The NDP is only interested in grandstanding. It is only interested in waving flags of alarm. It is the party which opposes everything. It is the party which has sold its soul to the multinational unions. It is the party which, in 1979, received approximately $150,000 from one international union, and approximately $325,000 from another international union. It is the party which encourages strikes. It is the party whose leader stands in the strike line and says, "Do not go back to work—at least not until the press come".

This is the party which wants to see more unemployment in Ontario. It is the party which wants to see more unemployment in Hamilton. And it is the party which wants to bring industry to its knees. It is the party which wants to bring the Alaska gas pipeline to a halt, the party which believes we should not go ahead with the pipeline unless we can guarantee all the funds before we lift a shovel, guarantee all gas contracts, present and future, before we do any work, and guarantee that all gas prices, present and future, will never change. This is the party which does not believe in the future of Canada and that is why the Canadian people, year after year, election after election, reject them.

Let me state a few facts related to the Alaska highway natural gas pipeline. Exports of natural gas from Canada are not approved by the National Energy Board until they have been certified as surplus to Canada's needs. Our gas exports to the United States are in no way a cut price sale. They are distinctly more expensive than domestic U.S. supplies. We are selling this gas at the highest price possible. Holding up the decision on the southern part of the total project, might just hold up the whole thing since the cash flow generated by the exports from Canada will help finance the northern part. More serious, though, is the attitude the Americans will take to indecision, an indecision which might force them to go elsewhere for their energy source. During 1980, 15 per cent of the total exploration budget for Canadian oil and gas will be invested in the United States. This amounts to $600 million and most of this money will be from small oil companies departing to the United States. The U.S. gas reserves in Prudhoe Bay represent more than 10 per cent of our established reserves. Surely we recognize the importance of these reserves to the United States.

In Canada direct capital expenditure for the pre-build will be $1.6 billion. Of this, $655 million will go to the pre-build line, and another $935 million to the installation of production mills and other facilities. The pipeline will create employment opportunities between 1980 and 1984 of 150,000 man-years, of which 25 per cent will accrue to Ontario and Quebec, 25 per cent to Manitoba and Saskatchewan, and the remainder to Alberta and B.C. Mr. Speaker, the boost to Canada's balance of payments will be approximately $2 billion a year. Surely we understand that this will help keep interest rates down.

Natural gas reserves in Canada at the present time amount to approximately 70 trillion cubic feet, and this does not include the 10 trillion cubic feet in the Arctic, the five trillion cubic feet in the Mackenzie Delta, and the three trillion cubic feet off the east coast. It is estimated that approximately 50 per cent of all gas wells drilled in Alberta are not tested or proven up, so they are not included in the National Energy Board's reserves. The pre-build pipeline will increase gas production in Alberta by 16 per cent or 18 per cent and the gas companies say they can easily increase it by 50 per cent.

The Alberta Energy Conservation Board now estimates that reserves of gas in Canada could be as high as 160 trillion cubic feet and could even go to 200 trillion cubic feet in the next few years. Mr. Speaker, if momentum is stopped on this pipeline with respect to exploration, development and sale of surplus natural gas, the industry will start to gear down. This will have an effect on the flow of capital, less reserves will be found, unemployment will increase in some areas, technological advances related to new methods for extraction and finding new reserves may slow and, strangely enough, this could be the way to prove the NDP are correct.

I am happy that the government is following up on yet another policy introduced by the previous Conservative government. As proof of this I would like to refer to the statement made by the Hon. Robert de Cotret who, as the minister responsible for the Northern Pipeline Agency, spoke on December 13 last. He mentioned two main points: one, that the government was committed to this pipeline, and, second, that the pre-build was an important component in the completion of the whole line.

● (2340)

For some time now many Albertan members of Parliament have verbally and in written form pressed the government for a decision on the Alaska highway gas pipeline. Of course we are disappointed that it has taken so long to recognize the tremendous benefits to Canada. We are vitally interested in this project. I was more than a little shocked to read in a Calgary paper on July 19 that Senator Olson stated some Albertan members of Parliament were not in favour of this pipeline. I want that Liberal retread to know that no Albertan member of Parliament has opposed the pipeline. They have spoken out for

more action and better information on the details related to the proposed pipeline. It seems that the Senator from Medicine Hat is all wet once again. Certainly the constituents of Medicine Hat proved that some years ago when they did not re-elect him. Just last week I sent him a letter refuting his allegations that some Albertan members of Parliament were opposed to the pre-building of the Alaska highway natural gas pipeline. I see the Senator in the gallery. I hope he is not leaving, because I am not through with him yet.

An hon. Member: Nor is he through with you.

Mr. Wright: In that letter, I mentioned that on three separate occasions, June 26, July 3, and July 10, some Albertan members of Parliament sponsored motions under Standing Order 43 in the House of Commons requesting that the pre-build section of the Alaska gas pipeline be approved. I was co-sponsor of such a motion on July 10. I should like to read that motion because I do not think the honourable Senator reads his mail. It read:

> That the federal government immediately approve all Canadian aspects of the pre-build Alaska highway gas pipeline, while concurrently continuing negotiations with the U.S.A. for guarantees in regard to construction of the northern and Alaska sections of the gas line.

In addition, in my letter I urged Senator Olson to support Albertan members of Parliament in bringing this decision to a successful conclusion.

As late as last week the Prime Minister (Mr. Trudeau) asked for representation from Albertan members of Parliament. I am assuming from the letters and telephone calls which Senator Olson received that he was successful in persuading cabinet to approve the pipeline. Also I wish to say that Albertan members of Parliament are conforming to the Speech from the Throne wherein western members of Parliament have a responsibility not only to represent their constituents to the nation, but to represent the nation to their constituents. The Speech from the Throne indicated that it was a task no one else could fulfil. Albertan members of Parliament believe that to this point we have achieved that goal.

In conclusion, the Alaska highway natural gas pipeline is a pipeline which will benefit all of Canada and will make the completion of other pipelines in the north and the east, to Ontario and the maritimes, not only a possibility but a probability.

Some hon. Members: Hear, hear!

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, when listening to the wise words spoken this evening by the twin wings of the parties of reaction, the Liberals and Conservatives, I asked myself the following question: what is the difference between Canada and a banana republic?

Some hon. Members: Oh, oh!

Mr. Rae: It seems to me that there is an important difference between Canada and a banana republic, because bananas are renewable! One can have a surplus of bananas from year to year because they can be renewed. One can have a surplus of turkeys! After listening to the speech of the hon. member for Nepean-Carleton (Mr. Baker), we were reminded of the fact that it was quite possible to have a surplus of turkeys even in the House of Commons! But when the National Energy Board told the Canadian public that in 1980—

Some hon. Members: Oh, oh!

An hon. Member: You will turn into a pumpkin in 15 minutes.

Mr. Rae: If the hon. member wants to heckle, he should get into his seat.

When the National Energy Board told the Canadian public that we have a surplus of natural gas, it was making a fundamental conceptual error. Natural gas is a finite resource. It is a non-renewable resource. A cubic foot of natural gas sold is a cubic foot of natural gas gone forever.

Mr. Chénier: No!

An hon. Member: Are you sure?

Mr. Rae: I know it upsets members of the Conservative and Liberal parties, but I should like to read to the House from *The Oil and Gas Journal,* which publication is not normally sympathetic to our party. Indeed it is the spokesman for the oil and gas industry. The journal referred to the views of Shell Oil, which is the largest gas producer in Canada, regarding the kinds of resources we have and the natural gas left in Canada. It indicated that we have 59.5 trillion cubic feet and 9.4 trillion cubic feet expected from known fields in the future. It continued:

> Another 36 trillion cubic feet is believed to be discoverable in new fields in the established area, Shell points out. That would sustain production that could meet demand until the mid-1990s.
>
> "After that, gas from the frontier regions could be brought to market to satisfy demand past the end of the century".

What will happen after the year 2000?

An hon. Member: Biomass.

Mr. Rae: There is lots of biomass in the Conservative party. There is more biomass and methanol being produced by the Liberal party. We hear about solar energy and other alternatives, but what about the hard fact of the matter? We heard all the projections made in the statements of the hon. member for Gloucester (Mr. Breau) and the hon. member for Sudbury (Mr. Frith). The hon. member for Gloucester indicated that there was a lot left over, but how can Sudbury be used as an example when all its nickel is gone forever? There are no renewable resources left in Sudbury, yet that is the example they give.

An hon. Member: Why did you lose the riding? What happened to Rodriguez?

• (2350)

Mr. Rae: Hon. members opposite shout, "Watch out for your ridings". Let me say that there is no issue on which all

members of our party feel more one, comfortable and truly at home—and I think with a majority of Canadians—than on this issue at this particular time in our history.

The Prime Minister (Mr. Trudeau) speaks of guarantees. Let us look at the statements. Hon. members can read along, if they want to turn their editions of *Hansard* for July 18 to page 3128. They can read for themselves and Canadians can see for themselves the statement of intention of the producers at Prudhoe Bay. They can see exactly what the position is. They can see the conditions and the statement of intent of these producers. Hon. members should listen to the tremendous commitment that Sohio and Exxon are making to build the Alaska pipeline. Hon. members should listen to the extent of this tremendous commitment:

The producers have indicated willingness to participate in a substantial way with Alaskan northwest in the financing of the Alaskan pipeline and conditioning plan upon reasonable terms and conditions—

God knows what that means.

—provided they are not placed in the position of becoming, in effect, the ultimate guarantors of completion of the ANGTS and provided that their financial exposure is effectively limited.

That is some commitment: "Okay, we will go along with this plan provided we do not have to guarantee it, provided we are not exposed too much, and provided, and provided, and provided". These are the ironclad commitments the Minister of Energy, Mines and Resources (Mr. Lalonde) put down on Thursday night.

Listen to what they go on and say.

If the parties, or any of them, conclude that alternative approaches in financing, or waivers of law under the Alaskan Natural Gas Transportation Act are necessary to effectuate a feasible and effective plan of financing—

Which means they do not now have a feasible and effective plan of financing because, if they had one now, they would not be talking about what they will have in the future.

—such party or parties may develop alternatives and advise appropriate authorities of their conclusions.

That is not exactly what I would call a full-fledged commitment or guarantee. It is so hedged and couched in the terms of what may happen and provisos as to what might happen that it is not even funny, and there is a simple reason for that. There was a previous pipeline in Alaska. There was an oil pipeline in Alaska. Many members of this House from both sides have been to see that pipeline. That pipeline was supposed to cost $1.7 billion. It came in at over $11 billion, and the hard fact of the matter is that as long as Canada is providing the United States with reasonably secure and reasonably cheap supplies of gas, they will have no incentive to go to Alaska. Why should they when they can suck it off us at cost?

The hon. member for Nepean-Carleton, the Wizard of Ooze, came before this House and said, "You have to build a pipeline in stages". There is no argument about that, but what are the stages which are called for in the act? What is in the act which was brought before this Parliament? What is in the agreement which was signed by the Minister of Finance (Mr. MacEachen) and James Schlesinger? It is right here in schedule I which refers to expeditious construction and a timetable: Alaska, January 1, 1980; Yukon main line pipe laying, January 1, 1981. Other construction in Canada is to provide for timely completion of the pipeline to enable initial operation by January 1, 1983. Those are the stages of the line. It is to start in the north at Prudhoe Bay and go all the way south, and because it is starting in stages, one gets down to knowing that that in fact is what the Americans intend to do. They have reneged on that deal.

The Americans have failed to live up to their commitment to build the Alaska pipeline. And what is our punishment? The Prime Minister negotiates and says we are going to get the toughest deal we can on fisheries, on acid rain and on the auto pact, but what is the punishment we are going to mete out to the Americans? We are going to build our stage of the pipeline first so that we can finance the whole damned thing and sell out our natural gas in the course of doing so.

The final argument we get from the Liberal party is with regard to jobs. There is no member of Parliament in this House who is not concerned about jobs. The question is what is the best way to create permanent jobs, and not jobs which disappear as soon as the pipeline is built and not jobs which have no meaning because they are simply short-term jobs.

We are talking about jobs which are based on an industrial strategy because those jobs are renewable, and those jobs make sense because they are not part of some quick fix or reliance on a short-term construction project. When in doubt, build a pipeline: That is the policy of the Liberal party.

Mr. Cullen: Tell that to the steelworkers.

Mr. Rae: If the hon. member for Sarnia (Mr. Cullen) or any other Liberal wants to talk about investing $1.6 billion, there are ways of investing $1.6 billion which will make it come back, and come back and be here for the future of Canada. The result of the pipeline envy which fixates hon. members opposite will simply be that the Canadian dollar will go up and up, and our manufacturing competitiveness and our manufacturing industry will be less and less competitive. That is the final bottom line implication of the policy which is being followed.

It was a former Liberal cabinet minister, in the days when there were Liberal cabinet ministers who were not afraid to speak their minds from time to time, Eric Kierans, who wrote an article entitled "The day the Cabinet was misled" published in the March, 1974 "Canadian Forum". I commend to hon. members who want to understand how the cabinet and how this government have been misled and led by their noses by the multinational oil and gas companies for the last 15 years. Mr. Kierans said:

We do object to heavy investments in projects which have the sole objective of selling and exporting our badly needed resources. It would be much wiser to invest our scarce capital in other projects and to negotiate a right-of-way for the Americans to build their own pipeline. That would protect our environment, safeguard native rights and would provide a percentage of the line's capacity to transport Mackenzie Delta gas to Canadian homes and factories.

There is a real difference between investment in a vast construction project which will have a highly distorted effect

on the economy and a program of industrial investment over the whole range of the economy which would provide the industrial structure and the industrial strategy we need.

Under this Liberal government we have a $17 billion deficit in finished goods. We have a government which has consistently increased the portion of our resources that is exported and the portion of our resources which makes up our total exports. The Prime Minister, who is sitting in his chair tonight, has presided over the systematic dismantling of the Canadian economy and its takeover by foreign multinational companies. Who are these multinational companies? Is it any surprise that Shell, Amoco and all those other American companies are buying up our gas and then going to the NEB and saying they would like to take our gas—which is really our gas because we own it—and export it back to their home country? Should that come as any surprise? The hon. member for Annapolis Valley-Hants (Mr. Nowlan), in a speech which was certainly interesting and vital if nothing else, said that the gas industry in Canada was Canadian-owned. That is a false statement because 70 per cent of the gas industry in Canada is owned by foreigners, the vast majority of them Americans.

The reason we are voting on this tonight is very simple. We are insisting on a vote and refusing to leave this House before we have a vote because we want to make it perfectly clear that the New Democratic Party is concerned about the future of our resources and the changing of our economy, and those other twin parties of reaction are concerned only about quick fix and short-term gain.

Some hon. Members: Hear, hear!

● (2400)

The Acting Speaker (Mr. Blaker): Order, please. It being the witching hour, and pursuant to order made earlier this day, it is my duty to interrupt the proceedings and to put forthwith all questions necessary to dispose of the motion now before the House.

Hon. members can expect Madam Speaker to enter the chamber in a moment to put the question before the House. While we are waiting for Madam Speaker, may I on behalf of the Deputy Speaker of the House, the hon. member for Ottawa West (Mr. Francis), the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) and myself, the most junior of your servants, express our thanks and our sense of honour and privilege in serving Madam Speaker and all hon. members of this House. We will await Madam Speaker.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): In fact, with humility, I will put the question to the House.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Waddell) which was negatived on the following division:

(Division No. 14)

YEAS

Messrs.

Althouse	Keeper	Orlikow
Benjamin	Knowles	Parker
Blackburn	Kristiansen	Rae
Blaikie	Lewycky	Robinson (Burnaby)
Broadbent	Manly	Rose
Deans	Mitchell (Mrs.)	Sargeant
Fulton	Murphy	Skelly
Hovdebo	Nystrom	Waddell
Ittinuar	Ogle	Young—28
Jewett (Miss)		

NAYS

Messrs.

Andre	Dionne (Chicoutimi)	Jarvis
Axworthy	Dubois	Johnston
Bachand	Duclos	Kaplan
Baker (Gander-Twillingate)	Dupont	Kelly
Baker (Nepean-Carleton)	Dupras	Kempling
Bégin (Miss)	Duquet	Killens (Mrs.)
Blais	Ellis	Kushner
Bloomfield	Epp	Lachance
Bockstael	Erola (Mrs.)	Lajoie
Bosley	Ethier	Lalonde
Bossy	Evans	Lambert
Bujold	Ferguson	Lamontagne
Bussières	Fisher	Lang
Caccia	Fleming	Lapierre
Chénier	Flis	Lapointe (Charlevoix)
Clark (Yellowhead)	Forrestall	Lapointe (Beauce)
Clarke (Vancouver Quadra)	Foster	La Salle
Collenette	Fox	Lawrence
Comtois	Francis	LeBlanc
Corbin	Fretz	Leduc
Cosgrove	Frith	Lefebvre
Côté (Mrs.)	Gauthier	Lewis
Cousineau	Gimaiel	Lonsdale
Cullen	Gingras	Lumley
Cyr	Gourd	MacBain
Darling	Gray	MacDonald (Cardigan)
Dawson	Guilbault	Mackasey
De Bané	Gurbin	MacLaren
de Corneille	Halliday	MacLellan
Deniger	Harquail	Malépart
Desmarais	Henderson	Maltais
Dick	Herbert	Marceau
Dingwall	Hervieux-Payette (Mrs.)	Massé
Dion	Hnatyshyn	Masters
	Hopkins	Mayer
	Huntington	

Messrs.

McKinnon
McMillan
McRae
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Nicholson
(Miss)
Nickerson
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid
(St. Catharines)
Roche
Rompkey
Rossi
Savard
Schroder
Scott
(Hamilton-Wentworth)
Shields
Siddon
Smith
Speyer
Stollery
Tardif
Taylor
Tessier
Thomson
Tobin
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Whelan
Wright
Yurko—153

[*Translation*]

● (0020)

Madam Speaker: Pursuant to order made earlier today, the House will now revert to government orders, item No. 17.

* * *

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

Hon. Yvon Pinard (President of the Privy Council) moved:

That, when the House adjourns on the day that this order is adopted, it shall stand adjourned until October 15, 1980, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to on division.

Madam Speaker: Pursuant to order made earlier this day, this House stands adjourned until Wednesday, October 15, 1980, at 2 p.m., under the terms of Standing Order 2(1).

[*English*]

I wish everyone a very happy holiday with their friends and families. To keep up with the good tradition, I invite all members to Room 16 where we will hold a small reception.

The House adjourned at 12.28 a.m., to stand adjourned until Wednesday, October 15, 1980, at 2 p.m.

HOUSE OF COMMONS

Monday, October 6, 1980

The House met at 2 p.m.

● (1405)

[*Translation*]

NOTICE OF RECONVENING OF PARLIAMENT

Madam Speaker: I wish to inform hon. members that pursuant to order made on Tuesday, July 22, 1980, as shown on page 500 of *Votes and Proceedings,* I was satisfied after consultation with the government that the public interest required that the House should meet earlier. In the meantime I ordered the publication of a special edition of *The Canada Gazette* dated October 1, 1980, giving notice that the House should meet today and, moreover, on the same day I sent a telegram to each member of the House explaining the reasons for the recall of Parliament. Finally, pursuant to representations from the government under the provisions of Standing Order 42, the Chair had caused to be published in a special order paper the notice of a government motion regarding measures about the constitution. In that regard I now table letters from the government House leader dated September 30 and October 1, 1980, concerning that notice of motion.

* * *

[*English*]

THE LATE HON. DANIEL J. MacDONALD

TRIBUTES TO FORMER MINISTER OF VETERANS AFFAIRS

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know that you and all hon. members share my sadness at the absence from our midst of our friend and colleague, the Hon. Daniel MacDonald, Member of Parliament for Cardigan and Minister of Veterans Affairs. His death last Tuesday deprived this House of a man who enjoyed the affection and respect of us all. Indeed, we have lost a friend whose life gave expression to the highest ideals of public service, in war and in peace.

As Minister of Veterans Affairs he had a rare gift for serving Canadians extremely effectively, a gift for making tough decisions without giving offence and a gift for fighting political battles while retaining the friendship and high esteem of his opponents. I admired him for that and for the passionate commitment to Canada's veterans which gave strength and great dignity to his efforts on their behalf.

● (1410)

He was probably the best Minister of Veterans Affairs Canada has ever had. It is not that other incumbents have not served in that portfolio with distinction; it is just that no other minister, to my knowledge, has ever achieved such a wonderful rapport with Canada's veterans, nor served them with such a strong sense of mission.

His last parliamentary act, Madam Speaker, was to witness the giving of royal assent on July 17 to legislative measures which have improved pensions and allowances for veterans and their families. He had initiated those measures in cabinet. He guided them through Parliament. He saw them become part of the law of the land. It was an achievement of which he was justly proud. On that July day in the Senate chamber, he remarked to a cabinet colleague that it was one of the best days he had ever had in Parliament.

[*Translation*]

I know of no one who deserved more than Dan MacDonald to feel the great satisfaction of a job well done for his people, and I am happy that his last official act in Parliament gave him so much joy.

Dan MacDonald bore, in his very body, the scars of his devotion to his country, and he gave all Canadians an example of the fortitude that enabled him to overcome his physical limitations. He simply refused to be restricted by his wounds, and his refusal inspired others in overcoming lesser obstacles in order to lead rich and fulfilling lives.

Dan MacDonald held high offices in both the government of Prince Edward Island and the Government of Canada, but he never lost sight of life's true values. He would much rather be told that he was a devoted husband and father, a good soldier, a skilled farmer, a faithful friend.

We will remember with affection and admiration the man he was and the life he led. We will remember with respect the way he served his riding, his province and his country, all of which he loved dearly. And we will also remember with gratitude his priceless contribution to the lives of all those who knew him.

Madam Speaker, I am convinced that all hon. members will want to join me in asking you to convey our deepest sympathy to Mrs. MacDonald and the family.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on my own behalf and on that of my party and of Canadians who did not share the political affiliations of the late Dan MacDonald but admired the gallantry and the courage that he showed, I want to join with the Prime Minister (Mr. Trudeau) today in paying tribute to a singular Canadian, a devoted servant not only of his country but of his beloved province, Prince Edward Island.

The late Hon. Daniel J. MacDonald

We cannot count the ways in which Dan MacDonald sacrificed for his country. He never grudged those sacrifices. In that he set an example which should inspire, and which does inspire, all of his fellow citizens.

[*Translation*]

It was with a deep feeling of respect and friendship that we bid him farewell Saturday in Charlottetown. To serve one's country in times of peace as well as in times of war demands a lot of those who have done it like Daniel MacDonald, that is, giving the best of themselves.

[*English*]

I might say in passing that the government might consider very seriously the suggestion made by my colleague, the hon. member for Hillsborough (Mr. McMillan), that it would be a fitting tribute to have the new national headquarters of the Department of Veterans Affairs now being constructed in Charlottetown named in honour of Dan MacDonald.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, if men are to be judged by the love that is borne them, then the judgment of the man we honour today must be in no doubt at all to all who knew him and all of us who count ourselves the better for having known, having served with and having befriended the late Dan MacDonald.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I am very grateful to my leader, the hon. member for Oshawa (Mr. Broadbent), for his suggestion that as one who worked closely with Daniel MacDonald I might speak on behalf of our party on this occasion.

● (1415)

We join with the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) in paying our warmest respect to the memory of the late Minister of Veterans Affairs. Many of us got to know him as a personal friend, a fine gentleman and a fighter for those whom he represented as Minister of Veterans Affairs. As I say, we are happy to enter into these moments of tribute. If I may do so, I should like to quote the words the Prime Minister used at the funeral service in Charlottetown on Saturday when he said that we went there not to mourn Daniel MacDonald's death but to celebrate a life well lived.

We are all conscious of the difficulties under which he laboured because of his double amputation, but we were greatly impressed by the vigour with which he pursued his efforts right to the very end. I believe it is only fitting for me to say that on July 9 when he piloted that last important piece of legislation through the House some of us that day were concerned about his health, but it was an accomplishment to complete something that had been waiting for about 50 years. We are glad that Daniel MacDonald had the privilege of piloting that piece of legislation through this House and then had the privilege of being the Acting Prime Minister the day when that bill was given royal assent.

We join with the suggestion just made by the Leader of the Opposition that the new veterans building in Charlottetown should be named the Daniel J. MacDonald Building. We express our warmest appreciation of the life of our friend and we extend our heartfelt sympathy and understanding to Mrs. MacDonald and to all the members of the family.

Some hon. Members: Hear, hear!

Madam Speaker: I should like to associate myself with all the beautiful things that have been said about the Hon. Daniel MacDonald. He was my seatmate in this House for many years and I got to know him quite well. I think I can say that he was indeed a great gentleman. What I especially liked about him was that he had such great faith in his fellow countrymen and in God, and this faith sustained him in distinguished service to his country in war and in peace. We will all miss him very much, and I should like this House to rise and observe two minutes of silence in his memory.

[*Editor's Note: The House rose and observed a two minute silence.*]

* * *

VACANCIES

Madam Speaker: I have the honour to inform the House that I have received communications notifying me that vacancies have occurred in the representation:

Of the Hon. Judd Buchanan, PC, member for the electoral district of London West, by resignation.

Of Raynald Guay, Esquire, member for the electoral district of Lévis, by resignation.

Accordingly, I have addressed my warrants to the Chief Electoral Officer for the issue of new writs of election for the said electoral districts.

* * *

NEW MEMBER INTRODUCED

Stanley Hudecki, Esquire, member for the electoral district of Hamilton West, introduced by the Right Hon. Pierre Elliott Trudeau and Hon. Herb Gray.

Madam Speaker: I will now accord the usual time for motions under Standing Order 43 and the question period.

● (1420)

ROUTINE PROCEEDINGS

[*English*]

BRITISH NORTH AMERICA ACT, 1867

UNILATERAL ACTION TO CHANGE PROVISIONS—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. Whereas the British North America Act is a contract between Canadians as represented by their federal and provincial legislatures, and whereas the Government of Canada now proposes to change the terms of that contract by unilateral action without consulting the signatories to that contract, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this government be condemned for acting alone without fairly and properly obtaining substantial agreement to those changes.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ACCESS TO INFORMATION

REQUEST PRIORITY BE GIVEN TO BILL C-43—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I, too, rise under the terms of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Canadians have waited far too long for effective and comprehensive freedom of information legislation and an end to secrecy in government, and in view of the apparent decision of the Liberal government, as revealed of course in a secret memo, to put freedom of information legislation on the back burner and further delay action on this important bill, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House call upon the government to give priority to speedy second reading and referral to committee of the freedom of information bill, Bill C-43, where much needed improvements may be made and an end be put once and for all to decades of secrecy in government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

THE BUDGET

INTRODUCTION BY OCTOBER 17, 1980—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In December of last year members opposite supported a non-confidence motion against the realistic budget of the hon. member for St. John's West (Mr. Crosbie)—

Some hon. Members: Oh, oh!

Mr. Bosley: —because in the view of today's Minister of Finance (Mr. MacEachen) the budget did not do enough to lower interest rates, lower taxes or stimulate the economy. Madam Speaker, for eight months the government has steadfastly refused to face the economic difficulties facing Canada while the minister has said he supports higher interest rates, higher taxes and that more stimulation is not needed. I therefore move, seconded by the hon. member for St. John's West:

That this House instruct the government to find the real Allan MacEachen and to instruct him to bring in a budget by October 17, 1980, at the latest.

Some hon. Members: Hear, hear!

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

ALL-PARTY COMMITTEE TO INITIATE PRICING NEGOTIATIONS WITH PRODUCING PROVINCES—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the recently failed oil pricing talks have put Canada's future oil supply in grave danger by placing our dependence on this very vital resource in the hands of undependable foreign suppliers, as witnessed by the present mid-East crisis, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House of Commons appoint an all-party committee from the House of Commons Standing Committee on National Resources and Public Works to initiate with the producing provinces pricing negotiations to secure an energy agreement, so that we may gain oil self-sufficiency and security of supply so vital to our vast country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1425)

HEALTH CARE

TABLING OF HALL REPORT—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Mr. Justice Emmett Hall has released his report on the state of health care services in Canada, and in view of the fact that many of the recommendations contained in the report would create major changes in Canada's health care system, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House instruct the Minister of National Health and Welfare to table forthwith the report of Mr. Justice Emmett Hall on the state of health care services in Canada and that the report be referred to the Standing Committee on Health, Welfare and Social Affairs.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

DROUGHT ASSISTANCE

IMPLEMENTATION OF PROGRAM—MOTION UNDER S.O. 43

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the shortage of hay caused by the prairie drought has now been worsened by wet conditions on the prairies, whereas it is essential to the continued health of the livestock and dairy industry and to the continued supply of meat to consumers that a payment be made quickly under the federal drought assistance program, and whereas the high cost of purchased feed makes it imperative that the federal government be able to pay the full $70 per head promised, since a great many producers have borrowed money at the banks conditional upon that promise, I move seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House instruct the Minister of Agriculture to set up the appeal committees and procedure as soon as possible under the federal drought assistance program, and that this House calls upon the minister to instruct these committees to be as generous as possible in making the payments to the many producers in need, and further, that this House ask the federal cabinet to approve further funding for the drought program so that the $70 per cow promised and the $140 per dairy animal can be paid to farmers.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SMALL BUSINESS

INTRODUCTION OF DEVELOPMENT BOND LEGISLATION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43. In light of legislation regarding small business development bonds, legislation which expires December 31, 1980, and the significance of this particular piece of legislation, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Minister of Finance introduce, without delay, legislation confirming the intention to introduce the small business development bond and extending the expiry date, so that the program is a meaningful one and not merely a political gimmick.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

TAX ON SALE OF PROVINCIAL RESOURCES—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of very urgent necessity. In light of the embodiment in quite unequivocal terms in so many constitutional documents, beginning in 1866 and culminating in 1931, of the principle that all lands, mines, minerals and royalties shall belong to the provinces, I move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That this House would reject and condemn as entirely unconstitutional any attempt by the federal government, through budgetary provisions or otherwise, to impose a tax on the revenues derived from the sale of provincial natural gas, electricity or other natural resource energy sources from any of the provinces, thereby diminishing the ability of the provinces to finance the health, hospital care and other services within their proper jurisdiction.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1430)

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

CR CLERKS DISPUTE—COMPARISON WITH POSTAL WORKERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the President of the Treasury Board. I wonder if the President of the Treasury Board could explain to the House of Commons the justice of offering clerical workers less over two years than he approved for postal workers over one year, bearing in mind that before their last settlement postal workers were 20 per cent ahead of the private sector while clerks are currently 8 per cent behind?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am sure the Right Hon. Leader of the Opposition is aware that the principle which governs all offers made by government in these circumstances is comparability with the private sector. I think it might be more appropriate for him to address his question to my predecessor, who opened these negotiations with a 5 per cent offer at the same time that he was carrying on negotiations with the Letter Carriers Union.

Mr. Clark: A supplementary question, Madam Speaker. Perhaps it would have been more appropriate for me to have addressed the question to the Postmaster General, who made a settlement with relation to postal workers which his colleague, the President of the Treasury Board, has gone on the public networks to condemn. The fact is that the responsibility for these negotiations rests now with this minister. He talks about the particular circumstances of this union. Let me ask the minister whether it is now the affirmative action policy of this government to single out a union, three-quarters of whose members are women, as a special target for unfair wage restraint?

An hon. Member: You don't believe that, do you?

An hon. Member: That is a cheap shot, Joe.

Mr. Johnston: Madam Speaker, I am sure the Right Hon. Leader of the Opposition is aware that I have a meeting this afternoon and that negotiations are resuming at four o'clock. I hope that we will arrive at a just and equitable settlement.

The offer which we have put on the table we regard as just and equitable but there will be further negotiations. It does not strike me, Madam Speaker, that our offer, which brings the average wage of the group to $15,360 per year, is that unfair or unjust. If the Right Hon. Leader of the Opposition has data which has not been made available to me by the Pay Research Bureau with regard to what is the equivalent in the private sector, I would be very pleased to receive it and will take it into consideration.

Mr. Clark: Madam Speaker, we are all aware, sadly, of the style of negotiation in which the minister has proceeded. Given the fact that the minister's threats of disciplinary action against other public servants supporting the clerks are being widely ignored by thousands of public servants, will the minister give us an undertaking now that when he meets with public service representatives later today he will be taking more positive steps that will bring us to a resolution of this dispute and that will allow Canadians to count upon such basic services as mail delivery and air transportation in the country?

Mr. Johnston: Madam Speaker, I think that if the Right Hon. Leader of the Opposition is as close to these negotiations as he pretends to be, then he should be fully aware of the positions which we have taken. We have made many positive moves. We have moved a long way from the 5 per cent that my hon. friend from York-Peel opened with in January. I must admit that we have been rather firm in terms of stating our position on discipline, Madam Speaker, because the entire fabric of the collective bargaining system could be under threat if public service employees do not honour their obligations under collective agreements with this government.

I do not think that we have been heavy handed in the kind of disciplinary measures that we have suggested but I think we have an obligation to the people of Canada, Madam Speaker, to enforce the obligations which are due to this government and which had been fairly negotiated in the past.

Mr. Clark: A further supplementary question, Madam Speaker. Is the minister saying that he is going to enforce his threat against those public servants who did not resist the crossing of picket lines? Is he going to enforce that threat?

Mr. Johnston: Madam Speaker, I hope that the Right Hon. Leader of the Opposition would share the government's view that we have an obligation to the Canadian public to ensure that legal obligations vis-à-vis the government must be respected.

Mr. Clark: Answer the question, Don.

Mr. Johnston: Otherwise the entire system breaks down. Otherwise the whole benefit of collective bargaining does not exist as far as the public service is concerned.

CR CLERKS DISPUTE—INQUIRY WHETHER SETTLEMENT WITH POSTAL WORKERS COMPLICATES NEGOTIATIONS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also directed to the President of the Treasury Board. I only wish he would elaborate on the national 5 per cent offer that he claims was made by this government. That is just not true.

Does the President of the Treasury Board feel—

Mr. Clark: It is just another lie.

Mr. Stevens: —that the very rich settlement that was made by the Postmaster General—he was set aside at the time, I

believe—the very rich settlement with the postal workers, has greatly complicated his negotiations with the clerks?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am pleased to see that the hon. member for York-Peel is in closer touch with the negotiations now than he was when he held this post. The settlement with the postal workers—the CUPW workers—as the hon. member knows, re-established the historic differential between the Letter Carriers Union and CUPW. He, of course, had very recently signed an agreement with the letter carriers, the LCUC group, which basically established the benchmark for the CUPW settlement.

Mr. Stevens: My supplementary question is again for the President of the Treasury Board, Madam Speaker, who has referred to an historical relationship between two bargaining units. Would the President of the Treasury Board confirm that approximately 15 years ago the clerks and the postal workers were also relatively at the same wage level? If he does confirm that—which is the truth—would he indicate why he now feels that it is suitable to be firm and rigid with the clerks, who are now about one-third behind the postal workers, at the same time that he had such a rich settlement with the postal workers?

Mr. Johnston: Madam Speaker, I am astonished that the hon. gentleman, who has always been such a strong advocate of the marketplace, does not accept that comparability with the private sector is the criterion that must govern our settlements in the public sector.

An hon. Member: What about the Post Office?

Mr. Johnston: That is what we are attempting to do. We have made a fair and just offer. As I said, we are renewing negotiations this afternoon in an attempt to bring this, I hope, to a quick conclusion.

Mr. Stevens: Madam Speaker, my further supplementary question is again for the President of the Treasury Board who has referred, as their basic test, to comparable wages in the private sector. In view of the fact that the clerks last January were 8 per cent behind the private sector and the postal workers were 20 per cent ahead, would he indicate why he has got into the impossible position of having, for the first time in history, this relatively responsible bargaining unit on strike just for the want of a fair settlement? We at least avoided strikes when we were in office.

An hon. Member: You will choke on that one.

Mr. Johnston: Madam Speaker, I find it quite extraordinary that the hon. member for York-Peel would admit that the clerks were 8 per cent behind market in January and would have offered them 5 per cent at that time.

Mr. Stevens: I didn't.

Mr. Johnston: As a matter of fact, when I became President of the Treasury Board the negotiations had broken off and we made attempts to get this back on the rails from the outset. But I am afraid that the damage done in the brief tenure—

Some hon. Members: Oh, oh.

Mr. Clark: Check your facts, Don.

Mr. Johnston: —of my hon. friend has made it pretty difficult.

CR CLERKS DISPUTE—INQUIRY WHETHER GOVERNMENT OFFER COMPATIBLE WITH THRONE SPEECH COMMITMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. As the Prime Minister knows, the clerks in question have an average salary now of $12,800; 75 per cent of them are women and many of them are single parent heads of families living below the poverty level.

● (1440)

Considering that the throne speech says: "My ministers will help first those who need help most", I would like to ask the Prime Minister if the offer—which was misleading, and I will come to that in a minute—just outlined by the President of the Treasury Board, which will still leave the clerks among the worst paid employees in Canada, private or public sector, is compatible with that commitment made in the throne speech.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the answer hinges on the assertion by the hon. member that they are the worst paid group in Canada. That is in direct contradiction with the facts as we know them to be, and I repeat the offer made by the President of the Treasury Board to the Leader of the Opposition. If the hon. member wants to adduce information showing that the clerks in the public sector are out of line with remuneration in the private sector, then we will take another look at it. But these are not the facts that we have. We have followed the position of comparability, as the President of the Treasury Board indicated, and that is a principle which had, indeed, the support of the provincial first ministers when we met on economic affairs about a year and a half ago. We are applying that principle now.

Mr. Broadbent: Madam Speaker, I have a supplementary for the Prime Minister. I said "among the worst paid", and I would stand by that.

Some hon. Members: Oh, oh!

Mr. Broadbent: That is what I said. I would like in that context to ask the Prime Minister to confirm the statement made by the President of the Treasury Board that the offer now would leave the average clerk with a salary of $15,000 a year, the implication being that that is a continuing salary. I would ask him to confirm that that is misleading, because the government well knows that one-tenth of that is a lump sum payment for one year only. It will not continue on an annual

basis as part of the base for salary and, therefore, is a fundamentally distorting view to put before the public of Canada. Will the Prime Minister confirm that the statement made by the President of the Treasury Board is misleading in that sense?

Mr. Baker (Nepean-Carleton): He will do it himself.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, if I may reply to that question, it is clear that the Leader of the New Democratic Party has not understood the offer. Perhaps if he had taken the time to read the offer properly, he would not be making such outrageous statements.

The fact is that the average income is now $12,800. That amount is being increased under the outstanding offer by 20 per cent base salary as of November 12; that is the second year of the contract. In addition to that, for the first year of the contract a lump sum payment of not less than $1,500, or 10 per cent of base salary, has been offered to every clerk. That is the offer, Madam Speaker.

Mr. Broadbent: Not according to the base.

Mr. Johnston: The 20 per cent is a 20 per cent increase on the base.

Mr. Stevens: And the $1,500 is included.

An hon. Member: Don't confuse him with the facts.

Mr. Johnston: It could not be simpler, but for some reason it seems to be difficult.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, the minister is right, it could not be simpler, and we understand it very well on this side. The increase that he is talking about in percentage terms is quite different from the addition of the $1,500 which is being provided on a one-shot basis. That is the crucial point.

Since the principle of a COLA clause has already been accepted for one category of civil servants and is widespread in its acceptance in almost every part of the private sector of the Canadian economy, why will the Government of Canada not accept at least the principle of a COLA clause, the details of which the minister well knows are negotiable?

Mr. Johnston: Madam Speaker, the issue of a COLA clause has been quite celebrated during the course of these negotiations. I have pointed out consistently that the offers we have made take into account the contracts in the private sector, some of which have COLA clauses, some of which do not, so that the offers we make are designed to protect against inflation through a negotiated settlement.

I would also point out, Madam Speaker, although it is not really relevant as a matter of principle, that it would be quite unprecedented, to my knowledge, in the middle of a contract with one year to run to make an adjustment for the first year, which we are doing and introduce a COLA clause effectively for a one-year contract. The purpose of the COLA clause in most private sector contracts is to protect against inflation in multiple year contracts—a three-year contract or whatever.

Let me give the hon. gentleman one example, taking the CR-1 average level, to explain why a COLA clause in our judgment is not necessary—

Mr. Baker (Nepean-Carleton): Order.

Some hon. Members: Order.

Mr. Johnston: —and also to correct a $1,500 misunderstanding. The average salary is $8,900. The lump sum payment would be $1,500. The gain, which would be a further 10 per cent, would be $608. With a 20 per cent salary increase it brings the salary base to $10,698. The gain in in-pocket cash for that CR-1 level over the two-year period is $3,283, starting from a base of $8,900.

* * *

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Hon. John C. Crosbie (St. John's West): Madam Speaker, I would like to ask a question of the Minister of Finance to see if he is prepared to break his vow of silence on financial matters. It is 23 months since this House adopted a budget in November, 1978.

Mr. Chrétien: We had a good one.

Mr. Crosbie: The government is now in its eighth month in power, yet on December 11 last year hon. members opposite defeated a budget because they said it did not lower interest rates, cut taxes and stimulate the growth of the Canadian economy.

Will the minister now give us the date when he is going to bring in his budget? The mines minister says October 21. Perhaps she is making up his mind for him and that is why she is a "mines minister".

Some hon. Members: Oh, oh!

Mr. Crosbie: Will the minister give us the date of his long awaited budget, and will he advise us whether his budget is going to lower interest rates, cut taxes and stimulate the Canadian economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thank the hon. member for his question. I would suggest that maybe it would have been better for himself and his friends if he had undertaken a vow of silence last December.

Some hon. Members: Hear, hear!

Mr. MacEachen: I have already indicated in response to an inquiry by the Right Hon. Leader of the Opposition, which he

conveyed to me by letter, that I would bring in a budget in the last two weeks of October.

Mr. Knowles: What year?

Some hon. Members: Oh, oh!

Mr. MacEachen: I would hope to be able to indicate the precise date very soon, next week probably.

An hon. Member: October 21?

Mr. Crosbie: Madam Speaker, silence is truly golden, as the minister is pointing out to us. He has been very silent since last December. Could I ask him this: the minister said in a speech in Halifax on September 8, his only speech this summer, that we are going to need a significant increase in revenues if we are going to meet our responsibilities in the years ahead. We never heard about this last fall, but we did hear about it this fall.

Will the minister now give this House a commitment that he is not going to raise revenues by deindexing the personal income tax—the great Stanfield innovation introduced in 1975 by the great Turner—and that he is not going to introduce a regressive tax at the refinery gate level on all gasoline products made from a barrel of oil, transportation fuels, heating fuels and the like? Will he give us a commitment that he will not do that, in line with the promises and the commitments made by the present Minister of Industry, Trade and Commerce last fall?

Mr. MacEachen: Madam Speaker, on the first point I am hesitant to comment on the question with respect to de-indexing in case my answer would dissuade the Conservative party from wasting money on these foolish ads they have been putting out on deindexing over the course of the summer.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacEachen: I would rather leave that question in doubt until budget night in the hope that the publishers and advertisers would benefit further from what seems to be a very full Tory war chest.

Mr. Crosbie: Madam Speaker, it is worth $30,000 to have the Minister of Finance read anything.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: The Minister of Finance's predecessor as finance critic said that the government was going to take a new approach and a new look at interest rate policy. That was on November 6 last year. On February 7 he said that he was going to resign if the government did not carry through on that commitment. Is his resignation now in the hands of the minister, or are we going to have a new interest rate policy? I point out that the prime bank rate has now gone to 13 per cent; it is "Allan MacEachen upward trend" again as this House opens. Has the minister some new policy, or is his cohort going to resign shortly?

• (1450)

Mr. MacEachen: Madam Speaker, as the hon. member knows, the bank rate decreased quite considerably from a high point of 16 or so in April—

Mr. Crosbie: Under you.

Mr. MacEachen: —to a point of 10 or so in August, as I recall. Since that time there has been some increase in interest rates, but they have not yet reached the higher levels that prevailed when the hon. member was minister of finance.

* * *

ENERGY

REQUEST FOR ASSURANCE NATURAL GAS EXPORTS TAX WILL NOT BE IMPOSED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is to the Minister of Energy, Mines and Resources and the subject is the proposed natural gas export tax. Can the minister give to this House an unequivocal assurance that the government is not planning to impose what we on this side of the House regard as a discriminatory tax on natural gas exports?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would have to answer this question in the same way the Minister of Finance answered the previous question as to speculating about the contents of the budget. I will not indulge in that any more than the Minister of Finance has.

Mr. Waddell: Madam Speaker, the minister talked in the past about raising revenue for the government. Has the minister considered using more effectively the income tax provisions which the government already has against the foreign controlled oil companies—in other words, taxing them more—rather than attacking the resource base of the western provinces, as he is going to do if he brings in a natural gas exports tax?

Mr. Lalonde: Madam Speaker, I would like to assure the hon. member that the government has been looking at all possible revenues and is looking at what will be the most effective and fairest way of approaching this difficult question. When the Minister of Finance brings in his budget, the hon. member and the House will have the answers to these questions. I want to assure the hon. member there is no question of attacking the natural resources of any province in this country. It is a question of exercising what are the proper responsibilities of the national government for the good of all Canadians, and that is what we are trying to work out.

THE CONSTITUTION

STATEMENT OF MINISTER ON REFERENCE OF PROPOSALS TO SUPREME COURT OF CANADA

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I wish to address a question to the Minister of Justice. Did he consult with the Minister of Consumer and Corporate Affairs or did he adopt the position taken by some provincial spokesmen from time to time when he said on the weekend that he would not refer any of the constitutional proposals to the Supreme Court because the Supreme Court is very unreliable?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the hon. member should read the whole sentence. I said that if we were to refer them, one of the problems would be that in terms of timing it would change. It is in that context that I said it. Further, I checked with the reporter to confirm he understood it that way.

Mr. Dick: Madam Speaker, since it is 113 years versus one sentence, the timing does not seem to be all that crucial. I was wondering whether the minister was somewhat influenced by the fact that the government in a previous incarnation had a portion of its Bill C-60 dealing with the Senate turned down by the Supreme Court, and it is afraid there are sections in this resolution which will be turned down by the Supreme Court?

Mr. Chrétien: Not at all, Madam Speaker. At the time of the move on the Senate, it was not certain that Parliament could change the status of the Senate. The Supreme Court said it was not possible for the Parliament of Canada to change it, but the British Parliament could do that. With the change in the constitution, we will be going straight to London for the last time.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

MODERNIZATION OF PAPER FACTORIES IN QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Regional Economic Expansion. I wonder whether the minister can now put the House up to date regarding the joint federal-provincial proposal for a policy on the modernization of pulp and paper factories?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): I am indeed very pleased to report to the hon. member for Joliette that cabinet has substantially increased the envelope for Quebec. It has in fact earmarked 50 per cent of the budget for this nation-wide program for Quebec alone. In other words, after making the required adjustments, our contribution to Quebec is 40 per cent greater than that to Ontario, and I trust, like the hon. member no doubt, that Quebec will sign this agreement as soon as possible.

Mr. La Salle: Madam Speaker, the minister has just stated that he hopes his counterpart from Quebec will sign this agreement. Can the minister assure the House that this program will be started soon? Also, in light of the 15 projects or so that are mentioned so often, what does the minister intend to do to have these projects launched as soon as possible?

Mr. De Bané: Madam Speaker, I would ask the hon. member to question his conscience on this matter. This program is aimed at the pulp and paper industry and in this field, the same corporations are operating in all provinces. Why is it such a big success in the other provinces? Why are the investments in this program ten times greater in Ontario than in Quebec? One cannot always hide behind the screen of nationalism to explain why this program, which is directed at all the provinces where the same corporations, most of them American, are involved, is a success everywhere except in Quebec, where it is at a standstill. I would like the hon. member to consider this question as well.

Mr. La Salle: Madam Speaker, if I were a minister, I would discuss this matter with my opposite number in Quebec, because I think many Quebeckers would like to get an affirmative answer as soon as possible.

As a supplementary, Madam Speaker, knowing that for the establishment of a paper mill the minister chooses an area well known to him, and considering also what his Quebec colleague proposed when he spoke on September 5, in a very limited municipality, I should like to ask the minister whether he can give an affirmative answer. If not, what is his final position about that paper mill?

Mr. De Bané: Madam Speaker, in reply to the first question, I would tell the hon. member that I sincerely hope that the conditions imposed by cabinet will be accepted without delay by the Quebec government. The second question deals with the speech Mr. Bérubé made on September 5, as we all know, in Rimouski, to announce the project of the century for the valley. The whole valley population has known all along, of course, that the announcement was an electoral gimmick that will be short-lived because, as the hon. member knows, according to the conditions mentioned in that speech of September 5, the mill should get a grant equal to 75 per cent of the cost of the project, which is obviously impossible. That is why I am now optimistic. I have two reasons to be: because finally Mr. Bérubé no longer announces projects for the valley without going there himself, and he has been there, and most of all because the people of the Matapedia Valley have created a committee to find out which of the two governments does not co-operate.

Oral Questions

[*English*]

FINANCE

HIGH INTEREST RATES—TIGHT MONETARY POLICY—GOVERNMENT POSITION

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Finance. The prime rate is now at 13 per cent, mortgages are at 14 per cent and even 16 per cent and 18 per cent, unemployment is escalating upwards over one million, real production and output are down for the second quarter in a row and there is a virtual collapse of our construction and housing industry. Can the minister explain to the House, quite apart from the hypocrisy of the offers of resignation from his resigning friend, the logic of a tight monetary policy and continued high interest rates as a deliberate policy of this government, as it was with the last government, at a time when we are facing the most serious recession in this country since 1954.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's question is quite comprehensive. However, let me say to him that the high interest rates that we are now facing—and even though they are lower than they were earlier in the year they are still high—can only be reduced if we can reduce the general level of inflation, not only in Canada but in North America.

● (1500)

That is why the governor of the Bank of Canada is following a particular monetary policy, why the Government of Canada is supporting that monetary policy, and why almost every government in the industrialized world at the present time regards inflation as the basic long-term threat to the future growth of all economies. I cannot, of course, answer in all detail the very comprehensive question, but I would ask the hon. member to reflect on at least those few nuggets I have given him.

Mr. Rae: Madam Speaker, I think tea leaves rather than nuggets might be what the minister leaves behind him in the House of Commons.

As a supplementary question let me point out that the evidence from Britain in particular is that a tight monetary policy and high interest rates squeezes jobs and growth out of the economy but not inflation, as witnessed by the record inflation that is currently being suffered by Mrs. Thatcher's England.

In view of the statement the minister has just made, will he tell us whether he still takes the sanguine view that these interest rates are a passing phenomenon, or will he not agree that with rates as high as these, along with problems faced by home owners, small businessmen and farmers just as serious this year as they were last year at the time we defeated the Tory budget, he should be planning measures to provide relief and stimulus for these Canadians?

Mr. MacEachen: Madam Speaker, the hon. member has raised the question of stimulus. As I prepare for the budget one of the questions I will have to decide, of course, is whether in these circumstances I should add further stimulus to the economy, in view of the fact that at the present time we are running a deficit of $14 billion—

An hon. Member: It is $16 billion.

Mr. MacEachen: —which means that the Government of Canada is putting that much more money into the economy than it is taking out. That is considerable stimulus, indeed. It is not as if we were running a balanced budget.

Some hon. Members: Oh, oh!

Mr. MacEachen: It is not as if we were running a balanced budget or as if we had said that we intend to produce a balanced budget in a year or two. I make that point because when the hon. member talks about the policies of Mrs. Thatcher and compares them to those in Canada, I suggest his comparison is quite irrelevant.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF STATE FOR FISHERIES OF THE UNITED KINGDOM

Madam Speaker: Order, please. I should like to draw the attention of the House to the presence in our gallery of the hon. Alick Buchanan-Smith, minister of state for fisheries of the United Kingdom.

Some hon. Members: Hear, hear!

* * *

ENERGY

NATURAL GAS EXPORTS TAX—INQUIRY AS TO GOVERNMENT POSITION

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the Minister of Justice who is quoted as having said, in respect of an export tax on natural gas, that "We fight on all fronts, all of the time"; "That's the nature of politics"; that holding off the proposed gas tax "wouldn't help us win the west" and "We need the revenues and we have to take the revenues (from) where the money is".

Would the Minister of Justice tell this House and his colleagues what the position of the Liberal party was when campaigning in British Columbia during the election earlier this year in respect of taxation on exports of natural gas?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice): Madam Speaker, I would just say that we have the right to do so. What I have explained is that the federal government has certain taxation

rights provided in the constitution and that the Minister of Finance may, as the need occurs, collect taxes where he wants and where the money is. The situation is as simple as that.

I do not believe that the constitution does not authorize the central government to collect taxes on any property in Canada.

[*English*]

Mr. Fraser: Madam Speaker, is the minister, or for that matter his colleague the Minister of Energy, Mines and Resources or the Right Hon. Prime Minister, or any hon. gentleman opposite, prepared to say to this House in no uncertain terms exactly what their party promised in British Columbia during the 1980 election campaign, especially through the good offices of Mr. Gordon Gibson who put in writing that there would be no export tax on natural gas from British Columbia or Alberta? In view of that I want to know from the Prime Minister or anybody else why they are playing this game and why they do not come out and say they are or are not going to stand by their promises. But do not fool around about it.

Some hon. Members: Hear, hear!

Mr. Chrétien: Madam Speaker, I remember very well that during the last campaign we said that the price of gasoline was not to be taxed. I am not great on science but I understand there is a difference between gas and gasoline.

INQUIRY WHETHER GOVERNMENT REGARDS HYDROELECTRIC POWER AS MANUFACTURED PRODUCT

Hon. Bill Jarvis (Perth): Madam Speaker, my question to the Minister of Energy, Mines and Resources is along the same lines regarding a tax on the export of natural gas. There was clearly a commitment in the province of British Columbia by his party that it would not impose that tax.

Without repeating the question asked by my friend in the NDP, the hon. member for Vancouver-Kingsway, the minister will be aware of speculation about a tax on the export of hydroelectric power. Without asking him whether that will be in the budget, is the minister aware of the argument being made by those provinces exporting hydroelectric power that it is a manufactured product rather than a natural resource, and does he subscribe to the argument that one can distinguish between natural gas and hydroelectric power on the basis that the latter energy source is a manufactured product?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as I have already indicated on various occasions, we shall hear all kinds of speculations. Indeed, last month, we heard all sorts of suppositions about what the budget will contain and not contain. I have already stated that it would not be wise for us as government members to try to speculate on this matter in order to determine whether such a form of taxation represents such a situation or whether it has such a nature rather than such another. I have no intention to play this kind of game.

[*English*]

Mr. Jarvis: Madam Speaker, perhaps because we have so recently resumed this session the minister did not understand what I asked him. Let me give him a chance to clarify this. Is it the position of the government that oil and natural gas may be subject to export tax because they are a natural resource, whereas on the other hand the government does not regard hydroelectric power as such an export, but regards it as the export of a manufactured product? Perhaps the minister might enlarge upon his answer by indicating to the House his position vis-à-vis coal, for example?

Mr. Lalonde: Madam Speaker, again I think if there is any explanation to be given in this respect it should be given as part of the budget, if any such tax were to be considered.

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PUBLIC SERVICE

CR CLERKS DISPUTE—REQUEST MINISTER REPORT TO HOUSE ON NEGOTIATIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the President of the Treasury Board. He has indicated that he will be meeting with the president of the CLC and perhaps with others later today to continue the negotiations in relation to the CR strike and the things that fall out from that. Because of the importance of this meeting, would the minister undertake to return to the House when the day's work is over, if that day's work is definitive, and make a statement to the House in respect of the results of that meeting and their impact on the work stoppage in the public service?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I presume from the hon. member's remarks that when he uses the word "definitive" he means that a contract has been agreed upon or signed. It would not be my intention in any way to prejudice these negotiations by making premature statements regarding the content thereof. Obviously in the event that an agreement is reached I would be very pleased to return to the House and advise the House.

Mr. Baker (Nepean-Carleton): Madam Speaker, there is no one who wants the negotiations to be prejudiced. What we want is for the negotiations to be advanced. Thus far the work of the President of the Treasury Board has not advanced the interests of the government, the public service employees or the public generally. In fact, the whole matter has been botched by him thus far.

Some hon. Members: Hear, hear!

• (1510)

Mr. Baker (Nepean-Carleton): In order that this situation does not continue, would the President of the Treasury Board undertake at least to consider taking into that meeting this afternoon, or at subsequent meetings if they are held, his colleague, the Minister of Labour, who may be just a little

better attuned to the human relationships which are quite important to the settlement of such a dispute, given the importance of it? Would he consider that in order that perhaps the negotiations could be advanced in a somewhat better and more productive way than we have seen thus far from this particular minister?

Mr. Johnston: Madam Speaker, the hon. gentleman seems to be making a speech expressing some opinions, but I have heard very little from the opposition as to the value or the benefits of our offers to date. I think there has been considerable advance; I take issue with that. I point out that in any negotiations there are two parties negotiating.

The hon. member can also rest assured that I depend very much upon the counsel of my colleagues, and I have had frequent consultations with the Minister of Labour and other ministers of the government.

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INDUSTRY

SYDNEY, N.S.—FINANCIAL ASSISTANCE TO SYSCO

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Minister of Finance. On January 24 the current Prime Minister promised a crowd in Sydney, Nova Scotia, that a Liberal government would spend $50 million to upgrade the plant at Sysco. He further promised that $35 million would come in the first year after his election. There was no mention of any studies, just a promise of $35 million in the first year.

My question, Madam Speaker—

Madam Speaker: Order, please. Would the hon. member please ask his question right away?

Mr. Parker: Will the amount which has been described as peanuts by the Liberal Member of Parliament for Cape Breton-The Sydneys be forthcoming before February 18, 1981, or is this just another Liberal campaign promise down the tubes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the statement which the right hon. Prime Minister made at that particular meeting in Sydney was a repetition or reiteration of a decision which had already been taken by the Government of Canada to support, at the request of the government of Nova Scotia, the Sydney Steel plant in the amount of $50 million.

At the present time the government of Nova Scotia and the Government of Canada jointly and by common agreement are attempting to work out a business plan which would ensure some future viability for the operation of the plant and the maintenance of employment at that plant. That business plan has not to my knowledge yet been submitted, but when it is it will be some basis upon which to begin the financing of the plant, as we have indicated earlier.

Mr. Parker: Another Liberal promise goes by the side tracks. In light of the minister's refusal to guarantee that the $35 million is forthcoming, what specific action will the minister take to assist the economy of Cape Breton, which is suffering an unemployment rate nearly twice the national average and which has just suffered the results of an additional 641 lay-offs in the last two months?

Mr. MacEachen: Madam Speaker, I am sorry if I did not make explicit enough the commitment of the Government of Canada to support the future operation of the Sydney Steel plant. We have made that commitment and it continues. I think it is important, however, to know how we are going to spend the money and particularly whether it is going to contribute to the long-term future of that plant. I think it is about time we decided what we are going to do to make that plant a successful operation and not put further sums of money into the plant without knowing whether it will succeed or not. That is the purpose of the business plan at the present time.

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TRANSPORT

INQUIRY WHETHER REPLACEMENT FOUND FOR GRAIN TRANSPORTATION CO-ORDINATOR

Mr. Jack Murta (Lisgar): Madam Speaker, my question is directed to the Minister of Transport. Since he now has the resignation of Hugh Horner, who is the grain transportation co-ordinator, is the minister in a position to inform the House whether or not a replacement has been found for Dr. Horner in his role as grain transportation co-ordinator?

Mr. Crosbie: Is his name Jack?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I want to say first how much I regret the resignation of Dr. Horner. I think his appointment and his activities have done considerable good for the co-ordination process with respect to western grain transportation.

Some hon. Members: Hear, hear!

Mr. Pepin: I see no reason not to continue the existence of that co-ordination role, and I plan to appoint Mr. Radke on an interim basis. I also plan to go to Winnipeg in the coming ten days to solicit the views of the industry on some of the recommendations which were made by Dr. Horner in his letter of resignation.

Mr. Murta: Madam Speaker, in his answer the minister alluded to my supplementary question. Can he tell the House unequivocally that the role of the grain transportation authority as it was set up under the previous government will certainly continue into the future? Is that something the minister is planning, and will there be no disbanding and no change at all in that role simply because Dr. Horner has left the chairmanship?

Mr. Pepin: Madam Speaker, with respect to the role of the authority as it is now, which is mostly operational, I have no great disagreement at all, but in his letter of resignation Dr. Horner makes a number of recommendations. Some of them I can accept quite easily; others I would like to reflect on and consult on further.

For example, he sees the authority being strengthened by legislation at this time. That is a debatable point. My predecessor who appointed him did so on a trial basis for up to four years. Dr. Horner is now suggesting a confirmation by legislative action of the authority, which in my view, I repeat, is very much debatable.

He also says that the authority should become a leader in branch line rehabilitation and things of that kind, which in my view also need much more reflection.

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POINTS OF ORDER

MR. NIELSEN—TABLING OF DOCUMENT

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. In responding to the questioning of the hon. member for Lisgar (Mr. Murta), the Minister of Transport (Mr. Pepin) dealt with two quotations from a report by Dr. Horner to himself. I believe the rule is quite clear that that report is now required to be tabled. Would the minister give us the assurance that it will be tabled?

An hon. Member: Immediately.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it was a letter of resignation which Dr. Horner wrote to me, and my understanding was that he was going to make it public. If he has not done so, I suggest that he do what he planned to do in the first place.

Mr. Nielsen: In response to that, Madam Speaker, the rule applies to letters as well as to reports or any other document. If the document or paper is quoted from, the minister is obliged under the rules to table it, and since he seems so willing and eager to do so, why wait? Let us have it now.

Mr. Pepin: Madam Speaker, the reason I am willing is that Dr. Horner told me he was going to do so, but I was travelling at the time, and I understand that he has not. As it was his original intention to do so, I will ask him if he still agrees with his original intention. Besides, I did not refer to the letter specifically. I just mentioned that there were recommendations that he had made.

Madam Speaker: I do not think it would do any harm to wait one day in order to check the record to see whether this is considered a private document or not and whether the minister can contact the person in question to see what were his original intentions. I do not think the House will suffer if we wait for one more day.

• (1520)

Mr. Nielsen: Certainly we will wait one more day, but we are not speaking about the whim of the minister or the whim of someone who made a report to him; we are speaking with respect to the rules of the House of Commons. The rules of the House of Commons are quite specific with respect to quotations from papers, documents, reports and whatever. So I have no objection and, if we can accomplish the production of the paper by waiting a day, there is no problem at all.

Madam Speaker: I think it is quite clear that if there is a quotation from a document, it should be tabled. What we do want to make sure is whether that quote is really a quote from that document, and I would ask the House to wait for one day until we check *Hansard*.

MR. STEVENS—STATEMENTS MADE DURING QUESTION PERIOD

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I rise on a point of order to indicate that I would like an opportunity to read the official record of today's proceedings with respect to statements made by the President of the Treasury Board (Mr. Johnston), as I feel I may have a question of privilege in that certain of his statements may have reflected on me personally.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fifth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cullen.

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

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[*Translation*]

NORTH-SOUTH RELATIONS

First report of Special Committee on North-South Relations—Mr. Breau.

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

Introduction of Bills

THE CONSTITUTION

TABLING OF TEXT OF RESOLUTION

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, under Standing Order 41(2), I would like to table in both official languages a proposed resolution for a joint Address to Her Majesty the Queen respecting the Constitution of Canada.

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ENERGY

TABLING OF STATEMENTS MADE BY MINISTER OF STATE FOR ECONOMIC DEVELOPMENT

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, on July 22, during the last days of the session, in reply to a question asked by the hon. member for Edmonton-West (Mr. Yurko) and following a point of order raised by the Leader of the Opposition, I had promised to table a document which was in my possession when I quoted from a statement made by the hon. Minister of State for Economic Development (Mr. Olson) on July 18. As the adjournment of the session prevented my doing so earlier, I now would like to table this document in both official languages.

* * *

[*English*]

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

Mr. Bob Wenman (Fraser Valley West) moved for leave to introduce Bill C-612, to amend the National Energy Board Act (provincial representation).

Madam Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. Members: Agreed.

Some hon. Members: Explain.

Mr. Wenman: Madam Speaker, this private member's bill is one of a series. What it calls for particularly is for provincial representation and appointment to federal boards which include the CRTC, the Canada Council, the National Transportation Commission, and so forth. I do not think these particular bills call for the removal of power from one level of government or a transfer to another level. Instead, they entrench the principle of partnership which has been inherent in the Canadian political system. If the government had understood this principle earlier, it could have long ago asked the provinces to appoint members to boards. Unfortunately, the federal side instead resorted to confrontation and unilateral action. In this atmosphere—although I hope otherwise—I suspect that the attention paid by the government to the upcoming constitutional debate will be only slightly greater than that paid to these kinds of private members' bills.

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

Madam Speaker: When shall this bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

NATIONAL TRANSPORTATION ACT

MEASURE TO AMEND

Mr. Bob Wenman (Fraser Valley West) moved for leave to introduce Bill C-613, to amend the National Transportation Act (provincial representation).

Some hon. Members: Explain.

Mr. Wenman: Again this is a similar bill calling for representation on other boards and calling for co-operation and compromise as opposed to confrontation. It is indeed regrettable that this has not been the policy and the procedure of the government to this point.

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

Madam Speaker: When shall this bill be read the second time? At the next sitting of the House?

Some hon. Members: Agreed.

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[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

On the order: Government Notices of Motions:

October 2, 1980—*The Minister of Justice:*

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen.

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion by members on the part of this House of the Special Joint Committee;

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

That the committee have power to sit during sittings and adjournments of the House of Commons;

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

That the committee submit their report no later than December 9, 1980;

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

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

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later this day.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I wish to advise the House through you, Madam Speaker, that some 446 answers to the questions on the order paper will be tabled today. As the list is obviously quite long, I would ask for the consent of the House to dispense with the reading of these numbers. I might say that the list has been distributed in the last few minutes to all hon. members. I will read the numbers of the questions proposed for orders for returns, however, and I would ask, Madam Speaker, that you be so kind as to call starred question No. 1029 in the ordinary way.

[*Editor's Note: The question numbers referred to above are as follows: Nos. 20, 36, 56, 61, 74, 94, 105, 109, 110, 120, 123, 129, 133, 154, 157, 159, 169, 171, 174, 178, 196, 201, 209, 228, 263, 264, 315, 316, 317, 345, 373, 380, 397, 398, 399, 436 to 483 incl., 496 to 507 incl., 520 to 531 incl., 581, 597, 598, 601, 614, 627, 635, 640, 642, 649, 651, 652, 653, 654, 664, 671, 682, 702, 703, 704, 726, 733, 737, 742, 743, 750, 754, 755, 758, 760, 766, 773, 774, 779, 786, 790, 794, 797, 801, 804, 812, 813, 814, 834, 837, 841, 842, 852, 856, 877, 878, 885, 888, 889, 891, 893, 900, 905, 912, 913, 914, 915, 916, 918 to 923 incl., 925, 938, 939, 942, 947, 953, 959, 960, 961, 962, 965, 966, 967, 968, 976, 977, 981, 982, 985, 1,002, 1,003, 1,004, 1,008, 1,012, 1,014, 1,021, 1,024, 1,031, 1,038, 1,047, 1,049, 1,054, 1,055, 1,061 to 1,190 incl., 1,191, 1,193, 1,200, 1,201, 1,202, 1,210, 1,213, 1,214, 1,218, 1,226, 1,227, 1,230, 1,249, 1,253, 1,266, 1,274, 1,277, 1,279, 1,281, 1,282, 1,288, 1,290 to 1,313 incl., 1,318, 1,320, 1,331, 1,332, 1,333, 1,335, 1,338, 1,339, 1,342, 1,345, 1,347, 1,348, 1,350, 1,351, 1,355, 1,361, 1,365, 1,370, 1,392, 1,419, 1,422, 1,423, 1,425, 1,427, 1,441, 1,448, 1,452 and 1,455.*]

Madam Speaker: Due to uncontrollable circumstances, the text of answers to the questions enumerated by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) cannot be printed in this day's *Hansard*. Nevertheless, the text of the answers will be distributed to the hon. members concerned and the press in the usual way. If the House is agreed, they will be printed as an appendix to *Hansard* on Wednesday, October 8, 1980. Is that agreed?

Some hon. Members: Agreed.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 31, 46, 127, 214, 408, 540, 569 to 580 inclusive, 648, 752, 756, 762, 833, 858, 917, 930, 952, 972, 1,221, 1,222, 1,223, 1,228 and 1,492 could be made orders for returns, these returns would be tabled immediately.

[*Text*]

SOVIET DIPLOMATS—TRAVEL RESTRICTIONS

Question No. 31—**Mr. Cossitt:**

1. Are there restrictions applied to Soviet diplomats who are permitted to travel outside of Ottawa and, if so, what are the limits?

2. Since January 1, 1975, have any Soviet diplomats applied to travel beyond such limits and, if so (a) what are their names (b) to what points (c) for what periods of time (d) for what purpose, if known?

Return tabled.

CROWN CORPORATIONS

Question No. 46—**Mr. Cossitt:**

As of the date the answer to this question is prepared, what is a complete list of all Crown corporations or other such separate entities and, in each case (a) what is the name and address of the president (b) what is the municipal address of the head office (c) what is the function performed (d) on what date did it become a Crown corporation, etc?

Return tabled.

PRIVY COUNCIL OFFICE PERSONNEL

Question No. 127—**Mr. Cossitt:**

What is the name, job designation, date of appointment and annual salary, to the nearest dollar of each person employed by, attached to or in any way associated with, the Privy Council office?

Return tabled.

TREASURY BOARD DIRECTIVE T.B. 740686

Question No. 214—**Mr. Herbert:**

By department, what was the total expenditure for attendance at non-governmental conferences by government employees during the (a) last year for which figures are available (b) twelve month period immediately (i) preceding (ii) following the implementation of the January 22, 1976, Treasury Board Directive TB 740686, regarding attendance at conferences?

Return tabled.

SCIENTIFIC SUPPORT TO DEVELOPING COUNTRIES

Question No. 408—**Mr. Orlikow:**

1. As of March 1, 1979, were government agencies supporting medical, biological and/or veterinary projects in developing countries and, if so (a) which projects (b) at what cost (c) to what extent are Canadian scientists involved in assessing such projects before they are funded?

2. Does the involvement of Canadian scientists include written referee reports and, if so, who considers and evaluates the reports before a final decision to fund or not to fund the project is made?

3. As of March 1, 1979, what was the total cost of medical, biological and veterinary research in developing countries which was supported by government agencies?

Return tabled.

MINISTRY OF STATE FOR URBAN AFFAIRS—CONTRACTS

Question No. 540—**Mr. Orlikow:**

1. For the fiscal year 1978-79, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programs or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Ministry of State for Urban Affairs?

2. How much was committed on each contract and to whom?

Return tabled.

Order Paper Questions

EMPLOYMENT AUTHORIZATION EXTENSIONS

Question No. 569—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of British Columbia, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

&3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 570—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Alberta, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 571—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Saskatchewan, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 572—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Manitoba, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 573—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Ontario, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 574—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Quebec, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 575—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Newfoundland, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 576—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of New Brunswick, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 577—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Prince Edward Island, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 578—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the Yukon Territory, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 579—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the Northwest Territories, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

Question No. 580—**Mr. Orlikow:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, how many persons in the province of Nova Scotia, who were previously issued an employment authorization from the Department of Employment and Immigration, were granted extensions to stay in Canada for a longer period of time and, in each case, what was the length of the extension?

2. For which occupational category was each person classified under, prior to and after the extension was granted?

3. Did the respective companies and the department consult with the unions, if a union existed in the company, in determining the necessity of an extension being granted in each case?

Return tabled.

CANADA COUNCIL GRANTS

Question No. 648—**Mr. Howie:**

Since January 1, 1978, what amount was paid by the Canada Council to each theatre for the performing arts or resident company in Canada?

Return tabled.

POLICY CONSULTANTS UNDER CONTRACT

Question No. 752—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Energy, Mines and Resources and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Return tabled.

Question No. 756—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Supply and Services and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Return tabled.

Question No. 762—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Public Works and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Return tabled.

DPW—INTERIM LANDSCAPING

Question No. 833—**Mr. Howie:**

Since January 1, 1978, what amount was spent on interior landscaping by the Department of Public Works and on what projects?

Return tabled.

SALES OF UNPROCESSED FISH

Question No. 858—**Mr. Crouse:**

1. For the year (a) 1977 (b) 1978 (c) 1979 (d) 1980, what licences were granted by the Department of Fisheries authorizing the sale of unprocessed fish to foreign freezing vessels and, in each case (a) to whom (b) what was the (i) volume licensed for sale (ii) species licensed for sale (c) who was the (i) foreign purchasing agent or agency (ii) Canadian person having the authority or responsibility of negotiating the contract (iii) official of the department responsible for monitoring the sale?

2. Was the volume of the fish of the species which was the subject of the contract, caught and sold in accordance with the contract and, if so, in each case (a) what was the price contracted to be paid by unit of measurement (b) what monies, if any, were realized by the department (c) what monies were realized by the person or persons to whom the licences were issued (d) what agency or brokerage fees, if any, were paid and to whom?

3. Was provision made to protect either the licensee or the purchasing freezer vessel against a shortfall in the supply of the species sold and, if so, in which cases, if any, did such shortfalls occur and (a) in what manner were the parties indemnified (b) what species was substituted for the primary species and (i) what price was paid (ii) in each case, were any obligations imposed on the licensee or the purchasers to process any of such fish in Canada and, if so, what proportion, and what was the nature of the processing required (iii) in each case, was there at the time of the actual delivery of the fish, an established commercial market price for the fish and, if so, what was the price?

Return tabled.

PURCHASE OF POLYSAR LIMITED

Question No. 917—**Mr. Herbert:**

1. What was the date of purchase of Polysar Limited by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Return tabled.

Order Paper Questions

SMALL CRAFT HARBOURS

Question No. 930—**Mr. Munro (Esquimalt-Saanich):**

In each of the past four years, in which localities have small craft harbours received $100,000 or more for maintenance or as original capital expenditure and what is a list of the harbours and the amounts, in each case?

Return tabled.

GOVERNMENT BUILDINGS—USE OF SPACE

Question No. 952—**Mr. Greenaway:**

1. Are any government buildings in the province of British Columbia (a) completely (b) partially empty at this time and, if so (i) how many (ii) in each case, for how long has the situation existed?

2. In each case (a) what is its location and address and (i) how much footage of empty space is involved (ii) what is the monthly cost of maintenance and services for upkeep (b) what has been declared surplus to federal needs and at what stage are plans for ultimate disposal of the space?

3. In cases where space has not been declared surplus to federal needs, which departments have indicated an interest?

4. In each case, where buildings are only partially empty, what operations are being carried on in the occupied areas and for how long are the operations expected to continue?

Return tabled.

DREE—TOURISM IN QUEBEC

Question No. 972—**Mr. Cyr:**

1. Under the agreement on tourism development entered into by DREE and the government of Quebec on April 6, 1978, what amount was granted to Quebec for each project mentioned in the agreement?

2. Are any negotiations in progress to change the agreement and, if so, what are they?

3. Which vote has Treasury Board earmarked for the fiscal year 1980-81 for the implementation of the projects provided for in the agreement?

Return tabled.

URBAN TRANSPORTATION ASSISTANCE PROGRAM

Question No. 1,221—**Mr. Greenaway:**

1. In (a) 1978 (b) 1979 (c) 1980 to date, by province, what was the actual *per capita* expenditure under the Urban Transportation Assistance Program by the (i) federal government (ii) provincial government (iii) municipalities and, in each case, what percentage of the total cost did the expenditure represent?

2. What was the name of the project involved and, in each case was it (a) completed (b) not yet completed?

3. In each case, of those not yet completed, what is the estimated date of completion and what are the projected cost figures involved until the completion of each project is achieved?

Return tabled.

CMHC SCHOLARSHIPS

Question No. 1,222—**Mr. Greenaway:**

1. In each year since 1975 to date, by province, how many scholarships were awarded by the Canada Mortgage and Housing Corporation and, in each case, what amounts were involved?

2. For the same years, by province, how many applications for scholarships were received by the corporation and (a) where did application screening take place (b) what criteria were used for judging winners (c) how long did the screening of the applications take?

3. For the same years, by province, what are the names and addresses of the members of the selection committee who chose the scholarship winners and (a) to which departments, academic institutions, professions, businesses did they belong (b) what were their qualifications to judge the applicants?

4. For the same years, in each case, what remuneration of any kind was paid to the members of each selection committee and, what additional costs were involved for transportation, *per diem* expenses, hotel accommodation in respect of selection committee members and/or family or staff accompanying them?

Return tabled.

1979 LABOUR FORCE AND DREE FUNDING

Question No. 1,223—**Mr. Fretz:**

1. In 1979, by constituency and by province, what was (a) the labour force (b) the labour surplus?

2. In 1979, what was the amount of DREE funding in each (a) constituency (b) province?

Return tabled.

AMATEUR SPORT AND RECREATION

Question No. 1,228—**Mr. Jelinek:**

1. For each year 1974 to 1979, what was the total amount of federal financial contributions made to amateur sport and recreation and what was the amount made to (a) amateur sport (b) recreation?

2. For the same years, what is the breakdown of the financial contribution for each recognized (a) national sports governing body (b) recreation body and what was the name of the body and the amount in each case?

3. For the same years, what was the total (a) administrative cost (b) overhead cost of the National Sports and Recreation Centre?

4. For the same years, what was the administrative, promotional and travel cost of each recognized (a) national sports governing body (b) recreation body and what was the name of the body and the amount in each case?

5. For the same years, what direct net amount did athletes in each recognized national sports governing body receive and what was the name of the body and the amount in each case?

Return tabled.

WHITE BEAR INDIAN RESERVE, SASKATCHEWAN

Question No. 1,492—**Mr. Schellenberger:**

1. What is the total budget being allocated by the government for all services, programs and projects at the White Bear Indian Reserve, Saskatchewan for 1980-81 and for what specific services, programs and projects has the money been allocated?

2. What was the total annual budget allocated by the government for all services, programs and projects at the reserve, in (a) 1978-79 (b) 1979-80 and for what specific services, programs and projects was the money allocated?

Return tabled.

[*English*]

Madam Speaker: Is it the pleasure of the House that the questions enumerated be deemed to have been made orders for returns?

Some hon. Members: Agreed.

STARRED QUESTION

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 1029?

[*Text*]

*ATLANTIC SALMON ENHANCEMENT PROGRAM

Question No. 1,029—**Mr. McMillan:**

1. What progress has been made with the Atlantic Salmon Enhancement Program and who is participating in it?

2. What amount did the Department of Fisheries and Oceans spend on the program in the fiscal year 1979-80 and what amount is it spending in the fiscal year 1980-81?

3. What is currently being done to transfer responsibility for the protection of Atlantic salmon to the provinces from the government?

4. In which areas off the coast of Newfoundland is commercial salmon fishing permitted?

5. How long is the commercial salmon fishing season off the south-west coast of Newfoundland and (a) how many fishermen are licensed to fish (b) what is the total allowable catch?

6. Is there evidence to support New Brunswick's claim that salmon caught off the south-west coast of Newfoundland would otherwise return to spawn in New Brunswick rivers and, if so (a) what is it (b) has the commercial Atlantic salmon season off south-west Newfoundland been shortened in light of such evidence?

[*English*]

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I should like to give this answer on behalf of the Minister of Fisheries and Oceans (Mr. LeBlanc), and I seek the indulgence of the House because it is somewhat long. The Department of Fisheries, in answer to question 1,029, advises as follows:

1. In 1978, the Department of Fisheries and Oceans formed a federal-provincial task force to review the salmon management and harvesting situation within the five Atlantic provinces; enhancement and expansion of fishery benefits were major considerations.

Besides defining management problems and solutions for the existing resource, the review indicated that proven enhancement techniques such as hatcheries, spawning-incubation facilities and fishways are available to significantly increase the size of the resource base within eastern Canada. Hence efforts during 1979 and 1980 have been directed toward investigating the feasibility and socioeconomic desirability of a long-term resource development initiative. A preliminary report will soon be available which will outline the appropriateness of expanded salmon enhancement at this time.

Federal Fisheries and Oceans, maritimes and Newfoundland regions are presently involved in the planning studies. The provincial governments of Atlantic Canada are also being invited to participate.

● (1530)

2. The Department of Fisheries and Oceans has for many years conducted hatchery and support operations for Atlantic salmon and trout in eastern Canada. Annual expenditures for the existing level of enhancement activity within the maritimes and Newfoundland regions during the past years has been:

1979/80:	$2,616,580.00*
1980/81:	$2,810,791.00*

*The above figures do not include $270,000 allocated to support Atlantic salmon enhancement research at the North American Research Centre, St. Andrews, New Brunswick.

3. Although the federal government is not presently considering a delegation of its management responsibility in the case of salmon, it is actively seeking ways of improving related administrative processes. With that in mind, the previous government wrote to the governments of New Brunswick and Newfoundland suggesting that there might be advantages for both parties if those provinces were to assume responsibility for conservation and protection of the salmon resource in provincial streams and rivers with the federal government retaining responsibility for the coastal commercial fishery.

The New Brunswick reply indicated a willingness to discuss the question of salmon protection. On the other hand, the province of Newfoundland proposed that the salmon protection issue be addressed within a more comprehensive approach. Follow-up discussions will be held with New Brunswick in the next few months. In the event that a transfer of responsibility from federal to provincial control is found to be feasible, the Public Service Alliance of Canada will be notified of our intention to protect the jobs of present employees.

4. Commercial salmon fishing is permitted in all areas off the coasts of Newfoundland except for areas set off by caution notices near the mouths of all salmon rivers. Caution notices are placed on both sides of the river and no fishing is permitted between the notices and rivers. The distance from the caution notices to the river varies with each river. Generally the distance is within 100 metres. Narrow inlets with a salmon river and estuaries are usually closed to commercial fishing. In bays less than six nautical miles across, all salmon gear must be "tied up" from midnight each Saturday to midnight the following Sunday.

5. The present commercial salmon fishing on the southwest coast of Newfoundland, Statistical Area J, Pass Island to Cape Ray is from May 20 to July 10. This was implemented in 1978 to provide additional spawners to rivers along the west coast of Newfoundland. The fishing season up to 1977 was May 15 to December 31, similar to other areas in Newfoundland. In addition to the benefits to west coast salmon stocks, the shortened season allows salmon to escape to the maritimes and Quebec.

(a) There were 308 licenced commercial salmon fishermen along the southwest coast in 1979. The number licenced in 1980 could be slightly lower due to attrition.

(b) There is no total allowable catch per se set for Atlantic salmon in Newfoundland. The catch is controlled by season, gear and number of licensed fishermen. The mean annual catch from 1975-79 along the southwest coast was 211 tonnes.

6. This is the final point on behalf of the Department of Fisheries and Oceans. Examination of past tagging studies indicates clearly that a significant proportion of salmon migrating along and caught off the southwest coast of New-

foundland in the early weeks of the season are bound for the maritimes and Quebec rivers.

(a) In Statistical Area J which was referred to previously the over-all seasonal interception rate is in the order of 50 per cent.

(b) Besides the shortening of the season that was mentioned previously, the drift-net fishery at Port aux Basques was terminated in 1972, involving approximately 70 fishermen.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

[*Translation*]

Mr. Pinard: Madam Speaker, the usual consultation having taken place, there seems to be unanimous consent that today's hour reserved for the consideration of private members' motions at five o'clock be cancelled in order to allow the leaders of the opposition parties to speak before six o'clock.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, that is correct provided of course—and I am sure my friend would agree—that the member whose private member's hour it is today and to whom we are grateful will not lose his place in priority.

Mr. Knowles: Madam Speaker, these negotiations were on an all-party basis. We also agree.

Madam Speaker: Is it agreed by the House that private members' hour is to be suspended under the conditions quoted by some hon. members?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development) moved:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

[*English*]

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

That the committee have power to sit during sittings and adjournments of the House of Commons;

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

That the committee submit their report no later than December 9, 1980;

[*Translation*]

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

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

[*English*]

He said: Madam Speaker, for over half a century federal and provincial governments have agreed on the desirability of bringing home Canada's constitution by means of establishing a procedure for amending all of it in Canada, and yet despite numerous attempts and many federal-provincial conferences, governments have been unable to agree on means to achieve these objectives.

For one reason or another, the federal-provincial attempts of 1927, 1931, 1935-36, 1950, 1961, 1964, 1971, 1975-76 and 1978-79, to find such an amending formula all failed.

On May 9 of this year, ten days before the Quebec referendum, the House of Commons approved unanimously a resolution proposed by the hon. member for Edmonton East (Mr. Yurko) and seconded by the hon. member for Provencher (Mr. Epp). The resolution read:

Whereas some provinces have repeatedly refused to endorse the patriation of the Constitution of Canada from Britain—

It was moved:

That the Parliament of Canada submit an address to Her Majesty the Queen, that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom to provide for the amendment in Canada of the Constitution of Canada.

Some hon. Members: Hear, hear!

Mr. Chrétien: At the time the resolution passed, the Prime Minister (Mr. Trudeau) said:

We are determined that in the months ahead the House will have an occasion to express itself on this matter.

Mr. Dick: Madam Speaker, I rise on a point of order. I hesitate and apologize for interrupting the Minister of Justice

(Mr. Chrétien) on this occasion, but we cannot get copies of the resolution. He will be using it in his speech; apparently they do not have any. I wonder, since it has been tabled, if there is some way we can get copies of the resolution as that is what we will be debating.

Mr. Chrétien: Madam Speaker, I am told that it is on the order paper, and I will follow the usual rules. There is nothing I can do about it at this moment.

Madam Speaker: I have asked the Clerk to find out whether the resolution has been distributed. I believe it has. But the hon. minister could continue his speech while I find out if I am able to inform the House whether this resolution has been distributed. Perhaps we could continue and hear the minister in the meantime.

Mr. Chrétien: I am informed that everyone has a copy.

Mr. Nowlan: That is the notice.

Mr. Chrétien: I am not in charge of distribution, so there is not much I can do about it. I have many responsibilities, but not that one.

Madam Speaker: Copies of the resolution are available. They have not been distributed. They will be in the minutes following. Perhaps we could then resume the debate and listen to the hon. Minister of Justice (Mr. Chrétien).

Mr. Nielsen: That is very nice.

[*Translation*]

Mr. Pinard: Madam Speaker, it is obvious that the documents tabled today by the Right Hon. Prime Minister (Mr. Trudeau) have not yet been distributed, but to clarify the situation, I want to advise the House that as early as last Thursday, even before the Prime Minister, the Leader of the Official Opposition (Mr. Clark) and the Leader of the New Democratic Party (Mr. Broadbent) had an opportunity to appear on television, I had made sure that each House leader had enough copies of this resolution for distribution to the members of his caucus.

Madam Speaker, we have taken this action out of sheer courtesy and not because we were under any obligation to do so. The purpose of the motion, which appears in today's order paper, is to refer the resolution to a committee, and we have taken precisely this step to make it possible for hon. members to examine it over the weekend. Madam Speaker, you have also mentioned that this text is now available for hon. members, but I wanted to make it clear that these documents had in fact been provided last Thursday to all parliamentary leaders for distribution to their respective colleagues.

● (1540)

[*English*]

Mr. Dick: Madam Speaker, my only problem is that we are now entering debate on the very resolution. I have a right as a member of Parliament to have that document. It has been tabled and I am asking for the document before we continue. If the government does not have the ability to do that and ministers say they control and run things—

Mr. Trudeau: You have had it since Thursday.

Mr. Dick: I do not have a copy.

Mr. Chrétien: Madam Speaker, I would like to inform the hon. member that on Thursday afternoon I made myself available to the caucus of the Conservative party to brief them. He did not bother to come.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. I think we can put an end to this point of order by distributing the documents which are requested by the hon. member at the present time.

Mr. Epp: On a point of order, Madam Speaker, in order to get the debate going I believe the Minister of Justice (Mr. Chrétien) would want to be accurate in his statements. He mentioned that he had made himself available last Thursday afternoon to our caucus for discussion on the draft resolution. I think he would recognize, in conformity with what happened, that while he made that offer there was a delay in meeting with our caucus for the simple reason that the government requested a delay so that they could change their documents. They were not ready. So the meeting took place in the evening rather than in the afternoon. It was at the government's request, because their documents were not ready.

Mr. Chrétien: Well, Madam Speaker, we are a long way from Thursday—five days ago.

With the permission of the House I will continue. At the time the resolution was passed the Prime Minister said, and I quote:

> We are determined that in the months ahead the House will have an occasion to express itself on this matter . . . For my part, I think it would be appropriate if we consulted the provinces before acting unilaterally on that motion.

The House leader of the official opposition, in support of the motion, commended the Prime Minister "for indicating the necessity and, indeed, if not the necessity, certainly the propriety in our system of consulting the provinces before we act unilaterally." Indeed, the Leader of the Opposition (Mr. Clark) himself said in Toronto on June 6 of this year, just before the June 9 first ministers' conference, as reported in the Montreal *Gazette* of June 7, 1980:

> The participants in Monday's conference speak for 11 governments, Parliament speaks for 23 million Canadians. If the first ministers of the federation cannot make marked progress toward changes which fit the Canada of the 1980s then the Parliament of the federation may have to assert a stronger role.

Some hon. Members: Hear, hear!

Mr. Chrétien:

> But if it does, that must not be as the instrument of one government, but as the forum of all Canada. Parliament, alone among institutions, reflects that country and can lift the discussion above the question of what governments need and focus on the question of what the nation needs.

An hon. Member: Well said!

Mr. Chrétien: During the referendum campaign members from both sides of this House, and leaders of all provincial governments outside of Quebec, expressed clearly their commitment to early and significant constitutional change. For my part, I began consultations with the provinces the day after the referendum. These consultations lasted all summer. At both the ministerial level and the level of first ministers we attempted to reach agreement on means of renewing our federation, bringing our constitution home, updating our political institutions, changing the distribution of powers, and guaranteeing economic, political and legal rights of Canadians.

As a federal government, we made proposals which would have increased the power of the provinces in many areas. As such, we were prepared to further decentralize powers in a country which is already highly decentralized. But we refused to accept demands which would have impaired the ability of the national government, the government of all Canadians, to take action in the national interest in cases where that interest transcends the interest of a particular region or province.

The federal government offered to transfer to the provinces jurisdiction over family law. We were prepared to give the provinces the ability to levy indirect taxation on resources, and the ability to make laws in the field of interprovincial trade in resources. This would have been of particular benefit to all western Canada. Indeed, our proposals would have resolved all of the problems which have concerned the province of Saskatchewan.

I might add here that I listened with interest to the statesmanlike approach taken on Thursday evening by the Leader of the New Democratic Party (Mr. Broadbent) in stating the policies of his party. His views on resource ownership coincide with the offer I made during this summer's constitutional negotiations.

Mr. Clark: The deal!

Mr. Chrétien: I can only regret that our offer at that time was rejected by some of the provinces as not going far enough. We proposed new provincial powers over fisheries and we offered the provinces more revenues and a greater say in the management and development of offshore resources. Under our offer, Atlantic Canada would have received 100 per cent of offshore revenues until the income of those provinces was above the national average.

We are prepared to give the provinces more jurisdiction than they have ever had in the field of communications. We agreed to enshrine in the constitution the obligation of the federal government to make equalization payments to the less favoured provinces.

We stated our willingness to place the Supreme Court in the constitution, and we said that we would give the provinces a say in the appointment of Supreme Court judges. In return for all of these proposed transfers of jurisdiction to the provinces, the federal government did not seek broad, new powers for itself. But we did insist that the provincial governments must recognize Canada as a country where there is one citizenship and not ten provincial citizenships. We stated that Canadians should have much more in common than just the same passport.

• (1550)

We told the provincial governments that they could have more of our powers if they agreed that Canadian citizens, as a matter of right, should be free to take up residence, to hold a job, to invest their savings, to sell their products and to purchase their supplies anywhere in Canada. And that we wanted these rights to be guaranteed in the constitution.

We were unable to achieve agreement, despite three months of intensive consultation, discussion, and negotiation with the provinces. We wanted to reach agreement with the provinces, and we did everything possible to achieve agreement except compromise on our fundamental principles.

[*Translation*]

The reason we did not reach agreement was that provincial governments attempted to bargain the rights of Canadians against more powers for the provinces. We were prepared to negotiate powers of governments, but we would not negotiate peoples' rights against powers for governments.

The House leader of the opposition said on May 9 that the federal government should consult with the provinces "before we act unilaterally". We spent the next three months consulting, but without the success we all hoped for. We have no choice now but to act in the House of Commons.

We must act now for three reasons. First, all of us made a solemn commitment to the people of Quebec that if they voted for federalism, there would soon be significant constitutional renewal. We campaigned in Quebec—and I remember twice sharing a platform with the Leader of the Opposition—telling the people that all of Canada is their country; that their individual rights and language rights will be protected everywhere in Canada, that the principle of sharing is fundamental to our society. Today we must fulfil that promise.

The second reason to act now is to provide a momentum for further change. Once we have succeeded in bringing our constitution home with an amending formula, we will have created a mechanism to permit constitutional change as and when necessary. We will no longer have to hesitate because of the humiliation of having to go to London every time we want to change our constitution.

The measure which I am introducing today will change the dynamics of constitutional negotiation and will facilitate the achieving of further reform. No longer will we be in a position where powers will be negotiated against patriation. We will negotiate powers on their merits. I believe that this will mean more rational negotiations and a far better chance for a successful conclusion.

Today marks the end of one stage and the beginning of another. The second stage of constitutional reform will deal with division of powers and with the updating of our political institutions. I am anxious that this process get under way as

soon as possible, for it too is part of our commitment to the people not only of Quebec but of all of Canada.

The third reason to act now is that the people of Canada can no longer tolerate interminable discussion about the constitution and are frustrated by the inability of politicians to make Canada work the way it can and should. Canadians believe that it is vital that we act now so that we can get this first major stage in constitutional reform behind us.

For all of these reasons, I am proud to have the opportunity today of introducing a motion in the House of Commons which will provide for the patriation of our constitution, for the entrenching of a charter of rights and freedoms including mobility rights of persons and minority language education rights, and for the enshrining in the constitution of the principle of equalization and of a commitment of governments to equal opportunity for all Canadians and the reduction of economic disparities.

The constitutional proposals of the federal government do not affect the division of powers in Canada. There is no transfer of powers from the provinces to the federal government. All that has been done is to prohibit both levels of government from interfering with fundamental rights of Canadians. These rights which are inherent in Canadian citizenship include not only fundamental freedoms, legal rights and democratic rights, but also the right to educate our children in their own official language. I must say that I find it strange that the Leader of the Opposition would take such violent objection to this as being fundamentally contrary to the nature of Canada. I believe that the substance of the resolution reflects the Canada all of us believe in.

In technical terms, the address to the Queen, which is set out in the resolution, is similar to previous addresses to the monarch and asks the Queen to lay the Canada Act before the Parliament of the United Kingdom for enactment.

The Canada Act commences with the recital of the action taken in Canada that makes it appropriate for the United Kingdom Parliament to enact the proposed bill. The bill is technical in nature. It provides for the enactment of a schedule, The constitution act, 1980 containing the new substantive provisions that would have the force of law in Canada. It would also continue as law in Canada existing constitutional statutes relating to Canada and provide that no future United Kingdom laws apply to Canada. Finally, the bill contains provisions relating to its implementation, such as the coming into force of various provisions.

The constitution act, 1980 is set out in schedule A to the Canada Act. This statute contains important new provisions that, for the most part, are not closely linked to matters now provided for in the Constitution of Canada. It includes the Canadian charter of rights and freedoms and provisions relating to equalization and regional disparities as well as procedures whereby the constitution could in future be amended in Canada. In addition the bill provides for the preparation of the first official French version of the Constitution of Canada and would change the titles of previous British North America Acts so that they would in future be known as Constitution Acts. These name changes and other consequential amendments are set out in schedule I to the constitution act, 1980.

Upon the adoption of the Canada Act by the United Kingdom Parliament, Canada would have a constitution that would form part of the body of laws of Canada that could be amended only in Canada.

Madam Speaker, after 113 years of nationhood, Canada at last will be able to bring its constitution home. No longer will it be necessary to go to the parliament of another country to amend our own constitution.

In addition to bringing the constitution home, the resolution provides for an interim amending procedure which gives full weight to the role of the provinces in our federal system and provides more legal protection for provincial interests than do the existing practices of constitutional amendment. This procedure will require that no amendment affecting all the provinces can be made without their consent and that of the Government of Canada. If a formula acceptable to all provinces and the federal government is agreed upon within two years, it will take effect.

The resolution provides for certain means to ensure that Canada will not be faced forever with the requirement of unanimity before constitutional change can be made.

If the provinces and the federal government fail, yet again, to agree unanimously on a formula, but no other proposal has sufficient provincial support, then a formula similar in principle to the Victoria formula of 1971 will come into effect. But if eight or more provinces, representing at least 80 per cent of the total population of all the provinces, agree within two years after patriation on a proposal for a different amending procedure that meets the requirements set out in the resolution, this formula and another similar in principle to the Victoria formula will be put to the people in a referendum. The federal government will also have the opportunity, at that time, to put forward a formula of its own choice, instead of the modified Victoria formula.

● (1600)

[*English*]

As I just mentioned, if there is no consensus among the provinces on a formula, an amending procedure, similar in principle to the Victoria formula, will automatically come into effect two years after patriation. The formula is based on the principle that amendments to certain parts of the constitution should require a consensus in each region of the country, as well as a general consensus across Canada. The Victoria formula required this consensus to be expressed through provincial legislative assemblies, and the House of Commons and

Senate in Ottawa. The formula in the resolution will, in addition, allow the consensus to be expressed through a national referendum.

In general, the formula would require that amendments to the constitution be approved by Parliament and either the legislative assemblies or by a majority of voters in a majority of the provinces, including every province that has or has had a population of at least 25 per cent of the population of Canada; at least two of the four Atlantic provinces with combined populations of at least 50 per cent of the population of all the Atlantic provinces—

Mr. McGrath: Goodbye P.E.I.

Mr. Chrétien: —at least two of the four western provinces with combined populations of at least 50 per cent of all the western provinces.

An hon. Member: Hail P.E.I.

Mr. Chrétien: The Leader of the Opposition has taken the view that only a provincial government can speak for the people of a province. We take the view that the people can speak for themselves.

Some hon. Members: Hear, hear!

Mr. Chrétien: We do not believe that it is contrary to the spirit of federalism—

Mr. Clark: To wipe out the provinces.

Mr. Chrétien: —to allow the people to express their views on constitutional amendments.

Before the Leader of the Opposition talks too much about how this government is overturning the principle of federalism, I thought that he should be reminded that in two other federal states, Australia and Switzerland, constitutional amendments are valid when passed in a referendum by a majority of the people in a majority of states. Despite this practice, neither of these countries can in any way be described as being unitary states.

Mr. Andre: They also have elected Senates.

Mr. Chrétien: If the provincial governments disagree with the modified Victoria formula, I have already explained that they will be able to propose something different. And the people will then decide.

What would really constitute passing over the heads of the provincial governments would be some sort of constitutional assembly as proposed by the Leader of the Opposition, where none of the provincial governments would have any say at all; it would be the members of the assembly but not the government. The decision to call a national referendum—

Mr. Clark: Where do the governments come from?

Mr. Chrétien: —on a constitutional amendment would rest with the Canadian Parliament.

In 1947 the first Bill of Rights in Canada was passed in the province of Saskatchewan by the government headed by a distinguished former member of this House, Hon. T. C. Douglas.

Some hon. Members: Hear, hear!

Mr. Chrétien: In 1960—

Mr. Clark: There is the deal.

Mr. Chrétien: Wait a minute; your turn is coming.

In 1960 Parliament passed the Canadian Bill of Rights. When that bill was introduced, a good friend of all of us, the Right Hon. John Diefenbaker stated:

An hon. Member: Put his name on it.

Some hon. Members: Hear, hear!

Mr. Chrétien: He stated, and I quote:

> This measure that I introduce is the first step on the part of Canada to carry out the acceptance either of the International Declaration of Human Rights or of the principles that actuated those who produced that noble document.

Today, Madam Speaker, we have the opportunity to complete the work of Mr. Diefenbaker and Mr. Douglas by providing Canadians with constitutional guarantees of their fundamental freedoms and liberties so that no government will ever be able to take them away.

Some hon. Members: Hear, hear!

Mr. Clark: Except by referendum.

Mr. Chrétien: It is our duty to carry forward the work of two great western Canadians, John Diefenbaker and Tommy Douglas.

John Diefenbaker understood that western Canada has been built by immigrants from all over the world who fled oppression to seek freedom and opportunity in Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. I have to remind those present in the galleries that they are not allowed to participate in the debate, even by applauding.

Mr. Chrétien: Madam Speaker, I am pleased to see that the gallery agrees with John Diefenbaker!

Mr. Nielsen: They sure were not applauding you.

Mr. Chrétien: The ethnic communities in Canada above all others understand the importance of an enshrined charter of rights and freedoms.

I appeal to the Leader of the Opposition, as a western Canadian, not to forsake the legacy of John Diefenbaker; I appeal to him not to oppose a measure which is of such importance to Canadians of so many different cultural backgrounds. As a westerner and as the leader of a party which has

always upheld the rights of the individual over the state, he should not oppose a measure containing a charter of rights.

Some have told us that provincial legislatures are better able than the courts to protect the rights and freedoms of Canadians. If rights and freedoms were to be dependent upon the governments of individual provinces, there would be no such thing as rights and freedoms common to all Canadians.

I believe that Canadians, wherever they live in Canada, should have common rights and freedoms. I am supported in this view by the special joint committees of the Senate and the House of Commons which, both in 1972 and in 1978, recommended the entrenchment in the constitution of a charter of rights. And it was once again proposed in Halifax in October 1979 by the federal government at a meeting of the continuing committee of ministers on the constitution. I remind the House that this proposal was made in Halifax by the government led by the Leader of the Opposition.

● (1610)

The case for a charter of rights was made eloquently by the constitutional committee of the Canadian Bar Association, and I quote:

> The symbolic and educational importance of proclaiming the rights of the individual as being beyond the power of a transient legislative majority can scarcely be exaggerated. A clear statement in the constitution of the fundamental values all Canadians share would, we think, have an important unifying effect. It would inculcate in all citizens, young and old, a consciousness of the importance of civil liberties and an authoritative expression of the particular rights and liberties our society considers fundamental. To the politician and the public servant, it would provide an authoritative standard for scrutinizing not only statutes but delegated legislation.
>
> Beyond its symbolic and educational functions a bill of rights can be an effective instrument of enforcement, particularly of fundamental political and legal rights. The courts can declare laws that violate constitutional rights invalid. In the absence of guaranteed rights, a transient majority in Parliament or a legislature can do incalculable harm to a minority or an individual. Unlike existing human rights legislation, which can always be abrogated or modified by statute, it would constrain future legislatures and governments from acting in violation of human rights. This protection is all the more important in our modern administrative state where there is such a vast quantity of delegated legislation that is not subjected to the type of questioning involved in parliamentary debate.
>
> It is true that there are now non-constitutional bills of rights at the federal and provincial levels. But these are mere legislative directions to the courts as to how legislation is to be interpreted. Constitutional entrenchment should encourage courts to take a stronger stand to protect fundamental rights.

The resolution before the House provides for a Canadian charter of rights and freedoms binding upon Parliament, all provincial legislatures and all governments. The rights and freedoms in the charter include: freedom of conscience and religion; freedom of thought, belief, opinion and expression, including freedom of the press and other media of information; freedom of peaceful assembly and of association; the right to vote and to stand for office, and the right to elections at least once every five years.

[*Translation*]

Sections 7 to 14 of the charter set out basic legal rights of Canadians. Some of these rights derive from the Canadian Bill of Rights and some are new. Of the latter, some derive from the International Covenant on Civil and Political Rights. I might remind the House that before adhering to the covenant, the federal government received the consent of all provinces. If provincial governments agreed to be bound by the International Covenant on Civil and Political Rights, they should not object to being bound by a Canadian charter of rights and freedoms.

The legal rights include the rights to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice; the right to be secure against search or seizure except on grounds and in accordance with procedures established by law.

There is the right not to be arbitrarily detained or imprisoned except on grounds and in accordance with procedures established by law; the right on arrest or detention to be informed promptly of the reasons, to retain and instruct counsel without delay, the right to obtain the remedy of habeas corpus.

Section 11 provides certain fundamental protections to those charged with an offence.

The protections include the right to be informed promptly of the charge; to be tried within a reasonable time; to be presumed innocent until proven guilty in a fair and public trial, and to be granted bail where appropriate. The rights also include protection against being found guilty if an act wasn't an offence when it occurred and against being tried twice for the same offence. In addition, if punishment is changed between the time the act occurs and sentencing, only the lesser punishment may be imposed.

In addition, the charter enshrines the right not to be subjected to any cruel or unusual punishment, the right of witnesses to protection against self-incrimination, and the right to assistance of an interpreter in court proceedings.

Non-discrimination rights include the right to equality before the law and to equal protection of the law without discrimination because of race, national or ethnic origin, colour, religion, age or sex. These rights will come into effect within three years after patriation. The reason for the delay is to give Parliament and the provincial legislatures time to amend statutes which presently contravene the protections against discrimination.

As a federal government, we understand that women have for years been subject to discrimination because of sex. Minority groups have been subject to discrimination because of race, religion, colour or ethnic origin. This type of discrimination must be wiped out in our country.

As Minister of Justice, I want to assure this House that the government will act immediately to see to it that our laws comply with the non-discrimination provisions of the charter of rights. For this, we will need the collaboration of all members. As a government, we now consider ourselves morally bound by the non-discrimination provisions of the charter even though it will be three years before we are legally bound.

I would like to turn now to two very important parts of the Canadian charter of rights and freedoms. First, I want to speak about mobility rights. We believe that certain rights are fundamental to the concept of Canadian citizenship; these rights must be guaranteed by the constitution and be applicable everywhere in Canada. I have spoken already of fundamental freedoms, democratic rights and legal rights.

Our conception of Canada is one where citizens as a matter of right should be free to take up residence and to pursue a livelihood anywhere in Canada without discrimination based on the previous province of residence. In other words, no Canadian should be prevented from seeking a job anywhere in Canada merely on the grounds that he or she comes from another province. This right which is inherent in Canadian citizenship will be enshrined in the charter and will be binding on all governments.

This does not mean that provinces cannot impose their normal laws on people who come or move to their province. It simply means that they cannot single out certain Canadians for harsher treatment just because they come from other parts of the country. In other words, there will be one Canadian citizenship not ten provincial citizenships.

The charter of rights and freedoms will also give all Canadians the right to send their children to school in their own official language where there are sufficient numbers of the minority language group to justify a school. English-speaking Canadians who move to Quebec will be entitled to have their children educated in English, and French-speaking Canadians will at last be entitled to have their children educated in French wherever they live in Canada.

By guaranteeing minority language education rights in the constitution, we are enshrining what provincial premiers agreed to at St. Andrews in 1977 and in Montreal in 1978, namely, and I quote:

> Each child of the French-speaking or English-speaking minority is entitled to an education in his or her language in the primary or secondary schools in each province wherever numbers warrant.

Some have said that the constitution should not protect the rights of English-speaking parents to send their children to school in English in Quebec or the rights of French-speaking parents to send their children to school in French outside of Quebec. We have been told by some to forget the lessons of history and to depend upon provincial legislatures to protect minority language education rights.

Mr. Speaker, this government holds the view that such rights must be protected in the constitution because they are fundamental to what Canada is all about. When minority language education rights are taken away, the right to take up a job in any part of Canada is seriously impaired. English-speaking Canadians, if they move to Quebec, want to have the right to send their children to school in their own language. Indeed Mr. Lévesque and Quebec government members pat themselves on the back for doing so, therefore I do not see why that could not be enshrined and confirmed in the constitution.

Similarly French-speaking Canadians do not want to move to other parts of Canada unless they can send their children to school in their own language. The only way to achieve this is to guarantee such rights in the constitution. In effect, without a guarantee of minority language education rights, there can be no full mobility rights.

Members on all sides of this House representing Canadians everywhere made a commitment to the people of Quebec during the referendum campaign that a new constitution would guarantee the fundamental rights of French-speaking Canadians outside of Quebec and English-speaking Canadians in Quebec. The guarantee of minority language education rights everywhere in Canada meets this commitment. It also marks our maturity as a nation because it must never be forgotten that a civilization is judged by how it treats its minorities.

For the first time in Canadian history, the education rights of official language minorities all across the country will be guaranteed. I would appeal particularly to the Federation of Francophones Outside Quebec to put pressure on Premier Lévesque to drop his opposition to a measure which goes further than anything in our history to protect the rights of French language minorities everywhere in Canada.

It was because of the opposition of the government of Quebec to the Victoria charter of 1971 that we lost the opportunity to achieve institutional bilingualism in many provinces. Today I would strongly urge the people of Quebec to put enormous pressure on the government of Quebec not to oppose this chance of a lifetime to assure education rights for French Canadians anywhere in Canada.

And I would urge just as strongly support for the charter of rights by those who oppose the provisions of Bill 101 which restricts the rights of English-speaking Canadians who move to Quebec to send their children to an English school.

There are other language rights which are now part of the constitution which apply to the use of either English or French in the legislatures, the courts and in the statutes and records of the provinces of Quebec and Manitoba. These will continue to be protected by existing constitutional provisions.

The constitution provides rights for the use of the English or French language in Parliament and in federal courts. These rights will be codified in the Canadian charter of rights and freedoms.

There are other language rights which are now found in the Official Languages Act. These will be enshrined in the constitution. English and French will be entrenched as the official languages of Canada. Also entrenched is the right of the public to communicate with and receive services from any head or central office of an institution of the Parliament or

Government of Canada in either English or French, and, in areas where numbers warrant, from any other office of such institutions.

These rights will now be part of the charter and will be binding on the Government of Canada and will not be able to be changed except by an amendment to the constitution.

I appeal to the people of Quebec to pressure their provincial government not to oppose a measure which implements the dreams and aspirations of generations of French Canadians who, believing that all of Canada is their country, have wanted to see their rights enshrined in the Constitution of Canada.

● (1620)

[*English*]

I would like now to turn to another part of the resolution and speak about equalization. The practice of using federal revenues to redistribute wealth to the less advantaged provinces of this country is well accepted. Since 1957, unconditional transfers known as equalization payments have been made by the federal government to enable every province to provide a reasonable level of public services, without having to impose an unreasonable tax burden on its residents. This practice has become so well established that it has now emerged as a fundamental "principle" of Canadian federalism.

Sharing of the wealth has become a fundamental right of Canadians and that is why the resolution entrenches the principle of equalization and commits both orders of government of promoting equal opportunities for the well-being of Canadians; furthering economic development to reduce disparity in opportunities and, specifically, providing essential public services of reasonable quality to all Canadians.

By entrenching this principle in the constitution, we are enshrining the obligation of sharing which has been fundamental to the Canadian experience.

Before I conclude, I want to speak about one criticism that has been voiced outside this House in the last few days. Some have suggested that the government has no right, without the consent of the provinces, to introduce a resolution asking the Parliament of Great Britain to amend and to patriate the Canadian constitution.

I will be prepared in committee to deal with this matter at some length. However, I want to state here today as Minister of Justice that there is no legal impediment to the Parliament of Canada's asking the Parliament of the United Kingdom to amend the British North America Act.

In the past, amendments to the British North America Act have been made by Great Britain following a joint resolution of the Senate and the House of Commons. In 11 cases, such resolutions have been adopted without consultation with, or the consent of some or all of the provinces; in only six cases have they been made after consultation with the provinces and with the consent of all or some of the provinces.

Past practice shows that there is no hard or fast rule concerning whether or how the federal government should consult with and obtain the consent of the provinces before presenting a resolution seeking to amend the British North America Act. Theoretically, the legal sovereignty of the Parliament of the United Kingdom is such that it can amend the British North America Act with or without the consent of Canada. But precedent tells us that the Parliament of the United Kingdom will amend the BNA Act only at the request of the Parliament of Canada and will do so despite any objections from any particular province or provinces.

On the subjects contained in this resolution, the Government of Canada has consulted for years with the provinces. We failed, yet again, to reach agreement, and therefore the government decided to proceed on its own in the spirit of the resolution passed unanimously by this House on May 9. Whatever the merits of unanimous agreement as a condition for change, the kind of constitutional deadlock we have had in this country for the last 53 years cannot be allowed to continue forever. However, the amending formula which we propose will ensure that in future there cannot be any unilateral action by the federal government. In other words, the changes we are proposing actually reduce the future powers of Parliament with respect to the amendment of the constitution.

In concluding, I want to express my hope and desire that members of Parliament will deal fully and yet expeditiously with this historic measure. I hope that this debate will rise above political partisanship. I hope all members will heed the words of Premier Davis who told us to divorce what is best for the country—

—from partisan feelings and from personalities. This nation will not be shaped and the challenges we face will not be met, if narrow partisanship is to determine where each and every one of us stand on the large and fundamental issues touching upon the very structure and reality of Canada.

● (1630)

Canada is a country of minorities. It is made up of people from many varied backgrounds who came here seeking freedom and opportunity. The changes proposed to the constitution will guarantee freedoms for all individuals and will help protect the rights of minorities. Canada is a sovereign and a dynamic country. It must have the means to renew its own constitution by Canadian means and not by resorting to the parliament of another sovereign state. The amending procedures we propose would provide those means.

I think this is a very important occasion. Some people question our right in this regard and ask why we are doing this. I spent much of last year discussing this matter. I made a lot of speeches in Quebec and in many places right across Canada. The Leader of the Opposition was in attendance when I made one of those speeches in Quebec. It was recorded, and in it I said in Quebec that I had a mandate from my caucus and from my cabinet to state that we will change Canada; Canada will have complete control of its own economy.

Some hon. Members: Oh, oh!

Mr. Chrétien: We will have a Canadian constitution. I told the people of Quebec that we will have our own Canadian constitution.

An hon. Member: He is the best friend René Lévesque ever had.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Chrétien: As I was saying, we will have a Canadian constitution in which both official languages will be protected. Also, the Constitution of Canada will protect the fundamental rights of Canadians as well as the rights of Francophones outside Quebec to be educated in French finally, which was not the case in the past. I was also saying that we would grant the same right to English-speaking Quebeckers, and this concept would be entrenched in the constitution, this concept of sharing and of opportunity for all Canadians which has formed the basis and the strength of our country.

So that is the procedure we have followed. This is not an end, it is a beginning. For 53 years, Madam Speaker, we have tried to bargain the patriation of the constitution against something else, and that has never worked. Since 1921, there have been many constitutional conferences. Starting today, change will become possible. I spent three months with the ministers of the different governments and I can say today that if under the present constitution we could have made some constitutional amendments during the summer, we could easily have arrived at four or five agreements.

But as usual, at the last minute, some tried to bargain to try to get more, just like in Victoria, just like in 1939 and at other times. But by having in Canada the means to bring about changes as they may become necessary, then, as I said in my speech and as the Right Hon. Prime Minister promised in his address to the nation last Thursday, we are committed to continue the renewal of our constitution, to review the division of power, to change Canadian institutions. We have to get started, and the only way to succeed is by patriating the constitution to Canada immediately so that we can amend it in Canada, and that, Madam Speaker, is exactly what we are doing today for the benefit of all Canadians.

Some hon. Members: Hear, hear!

[*English*]

Mr. Clark: I do not think you, Madam Speaker, were able to hear me, but members opposite did and they knew I was rising on a point of order. I do so simply because I would not want the Minister of Justice (Mr. Chrétien) to leave what I am sure was an inadvertently misleading statement on the record of the House.

[*Translation*]

He spoke about the language rights of Francophones outside Quebec. He said French Canadians will have the right to speak French anywhere in Canada. Yes, that is what he said, but he never qualified this right, even though it is well qualified here in the resolution. I would like to give the Minister of Justice, through a point of order, the opportunity to correct the record in order for him to avoid being in the position of manipulating public opinion or saying something which is not in the statute.

Mr. Chrétien: Madam Speaker, if the Right Hon. Leader of the Opposition thinks that I do not go far enough in these proposals, if he wishes all these rights to be written in the constitution without any restriction, we will gladly accept an amendment moved by the opposition in this matter.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's West (Mr. Crosbie)—Housing—Assistance for home owners adversely affected by rising interest rates; the hon. member for The Battlefords-Meadow Lake (Mr. Anguish)—Public Service—Cost of living increase less than rise in inflation; the hon. member for Athabasca (Mr. Shields)—Energy—Development of tar sands and heavy oil resources.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration of the motion of Mr. Chrétien:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an Address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

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

That the committee have power to sit during sittings and adjournments of the House of Commons;

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

That the committee submit their report not later than December 9, 1980;

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

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

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, perhaps I might begin by replying to the last comment made by the Minister of Justice (Mr. Chrétien). What I would like is to have the minister speak the truth about the measure he has presented. What I tried to do in a gentlemanly fashion on the floor of the House of Commons was to indicate that three or four times during his reference to the rights of Francophones to speak French outside Quebec he forgot the qualification in the resolution proposed here. I would not want him to misrepresent the position of his government in any way to the people of Quebec who might be listening or, indeed, to anyone else who might be concerned about the rights of Francophones to speak their language outside the province of Quebec. I wanted to raise that matter simply because I was sure the error by the minister was inadvertent. I rather regret that he did not take my point of order in that spirit.

I must deal at the outset as we begin to discuss this resolution with one or two matters of procedure. First I must express my regret at the absence of the government House leader, although I am not surprised by the absence from this debate of the Minister of Transport (Mr. Pepin). I think that is well understood by all members on this side of the House. He was here for part of the debate but he has now left. The minister responsible for government advertising or propaganda has said that the Minister of Transport does not want to listen to me. That is the trouble with this government; it does not want to listen to Parliament. Members of that government would be better served if they paid more attention to what members of the opposition have to say.

Some hon. Members: Hear, hear!

Mr. Clark: The point I want to raise is that in relation to a matter of such importance to the government there has been remarkably little consultation with either the members of the House of Commons or, indeed, parliaments, governments and legislatures of the provinces. It is my understanding that the premiers did not receive copies of this resolution until well after it had been discussed in public by the Prime Minister (Mr. Trudeau). Certainly, as was revealed today, no steps were taken by the government to ensure that members of the House of Commons had delivered to them by the government, as I believe it is the government's responsibility to do, copies of this resolution that members of Parliament are being asked to consider. It is said that a bulk number was left with my colleague, the House leader of the opposition.

Mr. Baker (Nepean-Carleton): That is not so.

Mr. Clark: He tells me that is not the case. The obligation clearly rests upon the Government of Canada, if it considers this bill to be so important, to ensure that the House of Commons which is to debate this bill has a copy to read before the debate begins.

● (1640)

Some hon. Members: Hear, hear!

Mr. Clark: I think it is important that the House and the country also understand some of the implications of the motion which has been moved by the Minister of Justice and the implications of the proposed resolution. If one read the press and relied simply upon that, one might be led to believe that we are to follow a process here which is similar to the process followed for the passage of a bill. According to newspaper reports, that would be that we would have a debate in the House followed by committee study and amendment, followed by final approval in the House. That is not the case with the measure put before us. The government has chosen another route or another method to have this matter debated before the House of Commons. We do not have a resolution before us. We have a motion referring the subject matter of the proposed resolution of address to a special joint committee of this House and the other place.

When we debate this reference—and I make this clear because it is very important to people who want to see a full debate in Parliament of constitutional matters—we cannot, under our rules, propose amendments to the proposed resolution itself. We can only move technical amendments to the motion of referral. I serve notice on the government that we may well want to move some technical amendments because there are some aspects of the notice of motion moved by the Minister of Justice today which cause grave concern to us. One of them, of course, is the time limit placed upon committee study by this House of Commons and by the joint committee of the proposed resolution. We are limited to two months, another deadline imposed by this government on constitutional processes, for whatever purposes.

Another matter of very real concern to us has to do with the fact that according to information exchanged in the briefings the other night, it is not the intention of the government to allow this committee to travel. In other words, a constitution to serve the whole country will be decided sitting in isolation in Ottawa. A constitution to serve the centuries will be decided and discussed by Parliament in a time limit of two months.

Those are serious deficiencies, we believe, in the government notice of motion. They raise serious questions as to the sincerity of this government in having in fact a full discussion, a full debate, and a full opportunity for Parliament to consider this matter.

Then there is the question of the quorum. I may well be corrected by others more expert in parliamentary procedure. I have no doubt that the hon. member for Winnipeg North Centre (Mr. Knowles) can find in his experience some exam-

ple of some place where this has been done before. He has never failed to do that to this point.

Mr. Broadbent: Even when he has made it up.

Mr. Clark: "Even when he has made it up", I am told by one of his seatmates.

We have here a committee of 25. Undoubtedly 13 or 14 Liberals will be sitting, always a majority. We have in the notice of motion the idea that a quorum will be composed of any 12 members. Generally opposition parties are respected and protected by saying that a quorum will require not simply a certain number of people but the representation of more than one party. That is not contained in this amendment here.

What is proposed in this amendment is that the Parliament of Canada, the House of Commons and the Senate of Canada, sitting in Ottawa, forbidden to travel, and required to conduct our work in only two months, must carry out that work in a period and under a quorum that can be decided by members of one party alone. The quorum can be decided by Liberals alone. Members of this party can be excluded from the decision. Members of the New Democratic Party can be excluded from the decision. What we have here is a provision that a meeting could be called and a decision could be taken with a quorum composed simply of members of the government party in the House of Commons. That again may simply have been an oversight, and it may well be that there will be an attempt made by representatives of the government to correct it. We hope that will be the case but, if not, we may have amendments to suggest on this or, indeed, on other matters which relate to the resolution here and to the notice of motion.

I have some other points to make. When the proposed address is before the committee, the committee cannot amend it. It can only prepare a report describing the amendments it thinks should be made. That is what we are dealing with here. If there is a debate on a motion of concurrence in that report, we in this House of Commons still cannot move amendments to the proposed resolution. We cannot even move amendments to the report of the committee. We can only pass amendments to the concurrence motion, and what would the effect of that be? The only power Parliament would have would be to refer the matter back for another committee study. This matter has been drawn up by the government, presumably with intent, in such a way that it is not possible for Parliament to amend the substance of the matter in any way. That again may well have been an error. If it is an error, we want it to be corrected, but if it is practice and if it is deliberate, we believe that is a bad way to start discussion of a constitutional process in this country.

Some hon. Members: Hear, hear!

Mr. Clark: Again, concurrence by the House in the report of the committee would not constitute adoption by the House of the resolution of address. All we will have done is agree that a resolution be presented, perhaps with the proviso that certain amendments should be made.

The significant debate will come when the resolution itself is brought directly before the House sometime after the committee has made its report. Only when that resolution is presented will we know if the government has taken any account at all of the views that are expressed by members of this House of Commons in the committee proceeding that the Minister of Justice wants us to start now. Only during the debate on that second resolution will we have the chance to propose amendments to the resolution instead of an indirect motion of reference. Only when that resolution has been passed will the House of Commons have adopted a resolution for presentation to Her Majesty. In the meantime, we do not know if there is to be a concurrence debate after the committee presents its report. There has been no indication of that. We have not been told when the resolution that counts—and this one does not count in terms of being able to constitute an address to Westminster—will be brought into this House of Commons.

We do not know what deadline the government has for the passage of the motion that counts. All we have is this preliminary round, but we do not know where it leads, and I believe that if the Prime Minister and his colleagues are sincere about involving Parliament in this debate, Parliament and the public should be told when the next shoe drops, what the next step is, and what is going to happen after this process. If the House and the public are to participate in an orderly debate, the government should tell us a little bit more about the process we are engaged in and not allow the impression to persist that the secondary question we are debating now is in fact the main question.

The Minister of Justice talked about an historic moment. I suppose we all like to talk about historic moments and pretend that the world will change suddenly as the seas part. In fact, history happens much more slowly, and it usually takes its shape from an accumulation of actions, decisions, and events. However, there are actions and there are events which can create a climate for good or a climate for ill which will affect what a country or, indeed, what a parliament does for some time to come. To draw two contentious examples from his own government's past, I believe that the passage of the Official Languages Act created a positive climate which made it easier for Francophones to feel at home across Canada.

By contrast, this Prime Minister's War Measures Act created a climate of fear and apprehension which will reach through history.

An hon. Member: Where were you on the vote, Joe?

Mr. Clark: In both cases the taking of the action—its actual taking—was more important than the details of the action. What counted was the motive; to codify rights in one case, and to abuse rights in another case.

• (1650)

We are debating today another action which, if taken, will live in Canadian history as the symbol of the motive of this Parliament on a fundamental question. What is at issue here is more than a law, more even than a constitution. This resolu-

tion contains a power which could destroy the federal system in Canada.

An hon. Member: Nonsense!

Some hon. Members: Hear, hear!

Mr. Clark: By destroying the federal system in Canada it could destroy this country. I regret that the Prime Minister smiles at that.

An hon. Member: I did too.

Mr. Clark: Let me refer the Solicitor General (Mr. Kaplan), who is one member of that cabinet who should know how to read the law, to section 42, because section 42 denies the essence of federalism in this country, and by denying the essence of federalism in this country, you deny the essence of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: This country of ours was created as a partnership of governments and legislatures. The constitution defines the relation between different levels of government, and our practice has ensured that amendments affecting both levels of government must be approved by both levels. Section 42 of this proposal breaks that practice, breaks that partnership.

[*Translation*]

The purpose of the resolution is to break the fundamental balance which has been at the heart of our federal system ever since the Canadian nation was created. Canada is a federation because the two levels of government share powers which they may exercise exclusively.

The extent of these powers has changed over the years, and the perfect equilibrium between these two levels of government will remain an issue for debate for many years to come. However, the existence of this equilibrium which is at the core of the Canadian system, had always been an accepted fact, at least until this resolution was introduced today.

On the basis of this resolution, the central government would have the authority to deprive unilaterally the provinces of their powers. And because this authority would not be limited, this central government could, if it chose to, deprive the provinces of all their powers and for all times.

Under this resolution, the central government could destroy what makes Canada a federation. And if it did, I am afraid it would signal the end of Canada as a country. As a matter of fact, because of the mere mention of the possible creation of this authority, as stated in the resolution, we are very much in doubt about the ability of this government to understand, promote and unite the diverse factors which make up our federal system.

[*English*]

There are several specific issues in this resolution. Some of them, of course, deserve approval, such as the act of bringing our constitution home or the decision finally to enshrine the principle of equalization in the constitution of Canada. Other proposals deserve rejection; others require continuing debate, including a frank discussion of the best way to guarantee rights. I believe that basic rights must prevail over ordinary law, but I have been witness to the practical problems of relying too exclusively on law as an instrument of social change. For that reason I believe we would make faster progress to more bilingualism in this country if there were an opting in provision for language rights. I say in passing—I am sure the Prime Minister knows it—that that would also allow such provinces as choose to opt into language rights which reach beyond the schools to affect provincial courts, legislatures and other institutions.

Mr. Trudeau: There is Bill C-60.

Mr. Clark: The Prime Minister speaks of Bill C-60, and I will be reminding him of that and of its treatment in the courts in a moment.

I do not want this debate to become personal, but I was concerned about the personal references made by the Minister of Justice to myself, particularly in relation to my attitude to French language rights in this country. It is not a matter about which I boast, but I think the Minister of Justice would find it difficult to discover anyone else in this House who has worked as hard, or indeed risked as much as I have, to promote French language rights in this country.

Some hon. Members: Hear, hear!

Mr. Chrétien: Madam Speaker, I wish to rise on a point of order. I am sorry but I have never referred at all to the attitude of the hon. member. I have always congratulated him on his attitude vis-à-vis the French fact in Canada, and he knows that. I have not made any reference at all in this House during my speech to this, and I do not know how he can make such a comment. I want to correct the record right away because I told him, both personally and publicly, especially in my own riding during the referendum campaign, how proud I have been for a long time of his attitude on that matter.

Some hon. Members: Hear, hear!

Mr. Clark: I accept the statement made by the Minister of Justice. Later I will refer to the text of the remarks he uttered in the House. But I accept the sincerity of what he said and I know, having heard him make those remarks in the past, how startling it would be if he said what I thought I had heard him say. But I accept his position now that he did not say that or if he did, he did not intend to say those words in his remarks.

I may now turn to the question of the late Right Hon. Mr. Diefenbaker and his bill of rights. I think he would have, at the least, been amused to have heard himself celebrated so by people who condemned him when he was here on the floor of the House of Commons. One of my colleagues behind me makes the point that during those remarks by the Minister of Justice there was an earth tremor in the region of Saskatoon in the immediate vicinity of the Diefenbaker Centre.

Some hon. Members: Oh, oh!

Mr. Clark: I found it interesting, on the question of rights, that the Minister of Justice, makes the case that we should not trust the courts to protect the rights. I gather he has now corrected the statement attributed to him that he finds the Supreme Court unreliable. My point is that after having said that he cannot trust the courts—having said that he would not want the rights to be—

Mr. Trudeau: Do not put words in his mouth.

Mr. Clark: Well, we shall see. The point I want to make is that the greatest menace to rights is that section 42 of this provision allows rights to be removed by referendum, and any day when there is a fever in this land against a particular group of people, against a particular group of rights, this government, by the power it seeks in section 42, could invoke that power to have a national referendum, which would mean the end of those rights. Rights written into the constitution by referendum can be written out of the constitution by referendum.

Some hon. Members: Hear, hear!

Some hon. Members: Right on.

Mr. Clark: That is a reality that this government will have to face.

What we have here is something quite different from what this government normally introduces. Normally it introduces legislation that looks as if it contained a great deal more than it does. This legislation looks a great deal simpler than it is in fact. The government, and the Minister of Justice most recently, have tried to wrap its initiative in the Canadian flag of patriotism. What is in that flag of patriotism and what is in this bill is a Trojan horse, a Trojan horse which is defended on the ground of bringing home our constitution, enshrining equalization, guaranteeing rights, and doing all of those good things that we want to have done. But inside, hidden away, written into the detail of this legislation is a range of other changes, a series of other proposals which could not only fundamentally change the nature of this country but could, in fact, as I intend to indicate during this debate, bring an end to this country, Canada.

Some hon. Members: Hear, hear!

Mr. Clark: At least one of those proposals—the Prime Minister spoke a moment ago of Bill C-60—is very similar to an action which ten months ago the Supreme Court of Canada described as being illegal.

● (1700)

Without detaining the House of Commons too long at this stage, I think it is well to identify some of the changes that are tucked away in this resolution. Section 44 would change unilaterally the central Canadian institution of Parliament. That section dramatically reduces the power of the Senate in constitutional matters. I make the point that the Senate was established to protect regional and provincial interests, but its powers are dramatically limited and dramatically changed by this proposed section 44. Madam Speaker will recall, as the House does that this government tried before to change the Senate unilaterally in the old Bill C-60. That attempt was ruled ultra vires by the Supreme Court of Canada as recently as ten months ago, in December of 1979.

Another basic change is introduced by section 51. In that section paragraph 91.1 of the British North America Act is deleted. Paragraph 91.1 was adopted in 1949. It was meant to give to Parliament the power to amend its so-called internal constitution. But in doing so the government of the time was very careful to protect provincial rights, namely, to protect the division of powers in the federation, a division the Minister of Justice said goes untouched in this bill. In deleting the protection for provincial rights, that is, the protection of provincial jurisdictions, section 51 is in fact making a substantive change in the Constitution of Canada. By my calculation, protection for those aspects of jurisdiction that have been exclusively provincial is put in jeopardy.

Again this resolution establishes a double standard for amendment. We have in the resolution that limited list of amendments which the Prime Minister wants; his personal package of change. Even though some of those changes are in a provincial field, he proposes to have them adopted without any reference to any province. Yet, at the same time the resolution proposes that any other changes which any other prime minister or any other provincial government might seek must be approved either by provinces or by referenda. If the Prime Minister believes so strongly in his method of amendment, in the method of amendment he proposes, why does he not apply that method to his personal package? Why should there be one standard for amendments he wants and a different standard for any other amendments that any other Canadian would want?

Some hon. Members: Hear, hear!

Mr. Clark: I must make note of the irony that what permits the Prime Minister to claim the ability to apply to his package a weaker standard than would apply to later amendments is precisely the fact that he is relying on Britain to accept his will more easily than Canada.

An hon. Member: Colonialism.

Mr. Clark: The document he proposes to amend is the British North America Act, a British statute. The document which subsequently would be amended would be a Canadian statute. He defends this package presented today involving patriation as being an end to colonial status. Then he uses that very colonial status he deplores to seek approval of his personal package of amendments.

The Prime Minister is the last of the great Canadian colonials. He does not trust Canada to approve his amendments, so he wants to try to sneak them past Westminster just before he changes the rules. We know that the Supreme Court

of Canada ten months ago found that the designs of this government on the Senate were ultra vires and illegal. It is entirely likely that other aspects of this proposal are illegal. We were told by the Minister of Justice that he does not think so. He thinks they are fine. We will see what the Supreme Court thinks. The Minister of Justice thought Bill C-60 was fine too, but the Supreme Court did not agree. Undoubtedly the government will try to draw a distinction between constitutional law and constitutional convention. They may reach into some dusty corners of constitutional precedent somewhere in the Commonwealth, somewhere in the world, and find a precedent which upholds their doing what they are doing so that they can say it is legal.

Mr. Crosbie: Zambia.

Mr. Clark: As my colleague said, they might look to Zambia. They might look to Rhodesia.

Mr. Crosbie: Or Uganda.

Mr. Clark: They will reach as far as they can to find some precedent which they think will defend what they are doing. I do not want to join the Minister of Justice and the Prime Minister in prejudging the decision of the courts, but it may be that they will find that what they are proposing to do is legal to some Philadelphia lawyer. It may be that it is strictly legal, but there is no question that what they are proposing to do here in a way that would destroy the Canadian federation, is wrong.

An hon. Member: Dead wrong.

Some hon. Members: Hear, hear!

Mr. Clark: The obligation upon Parliament at this stage in the debate is to ensure that the basic facts in this proposal are understood by the Canadian people because, after all, it is the country of the Canadian people this resolution proposes to change. If I may say so, I believe that obligation is shared by journalists across the country and by others who have influence and, by their influence, who have responsibility to look beyond the surface of events and to look to the heart of proposals. But the primary obligation is ours in this Parliament because we are Parliament and it is in the Parliament's name that the government would act.

An attempt was made again today by the Minister of Justice to portray this resolution as the natural next step after constitutional discussions which failed. Well, that is false; that is false.

I had no question as to the sincerity of the Minister of Justice when he was running around the country, indeed when he was running around Quebec speaking in the referendum campaign. But the fact is that the hopes he caused to be raised in his work this summer were dashed once the first ministers came to meet with the Prime Minister under the klieg lights in the Conference Centre down the street. Indeed the suspicion of many of us about the motives of this government on constitutional change were immensely compounded by the language of the document or of the memorandum which I am sure they wish had not been leaked but was leaked. It revealed to the country the manipulative approach to federal-provincial relations, the manipulative approach to public opinion which has been constantly taken by this government consistently.

Just to refresh everyone's memory, the constitutional discussions this summer dealt with specific changes in the balance between the central government and the provinces. Some of the matters discussed this summer are mentioned in the resolution, such as the reference to equalization, the reference to rights, and the reference to the purpose of patriation. There is no reference at all to other matters discussed this summer. There is no reference to resource jurisdictions, no reference to communications, and no reference to the amending formula on which all governments this summer, as we understand it, virtually agreed in principle, the so-called Vancouver consensus requiring that amendments be approved by Parliament and at least any seven provinces representing 50 per cent of the Canadian population with, where necessary, the right of a dissenting province to opt out. Instead, in section 42 there is a proposal that has never been seen before, a fatal proposal which would allow a majority government that controls Parliament to use a direct and binding referendum to bypass entirely the elected governments of all provinces. By section 46 of this resolution a majority federal government which controlled Parliament would also write the rules of that referendum and would write those rules alone, imposing its majority to be sure that it got its way.

An hon. Member: And the question.

Mr. Clark: And would write the question.

• (1710)

As we know from recent experience, this federal government is prepared to spend millions of advertising dollars—the minister responsible will not tell hon. members on my side how much—on billboards and on television and on other instruments to manipulate the opinion that a referendum would express; and by this resolution such a referendum, if carried by a simple majority in each of the four regions, would be binding, it would have the force of law. It would not be an expression of opinion as the referendum in Quebec was, it would be a tool to change the basic law by which we live as a nation. That is the issue. This resolution would let Ottawa, with a manipulated majority in a referendum, ignore the elected governments and legislatures in all provinces and change any item, any item at all, in the Constitution of Canada.

Mr. Trudeau: With only the people supporting them!

Mr. Clark: With only the people supporting us. I will get to the Prime Minister and the support he has been able to engender among the people of Canada from time to time—I remember particularly ten years ago on the War Measures Act. I will speak a little longer of that because it indicates the dangers which are inherent in a proposal of this kind.

But let me deal with the Minister of Justice for a moment and give him a little lesson in geography and a little lesson on nationalism. He talks about Australia, about Switzerland. Well, I have some news for the Minister of Justice. This is not Australia, this is not Switzerland; this is Canada and we want a constitution for Canada that respects the traditions of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: No doubt we will hear, as debate continues, on this infamous section 42, this section which wipes away the provinces—no doubt we will hear that the power will never be used. Well, if the power will never be used, why is it there? Why is it here in a resolution? Why is it proposed for consideration as part of the law of the land if it is not going to be used? Why do they put it there?

Some may say that the ability to manipulate opinion is exaggerated. Well, I ask the House and the country whether it was exaggerated ten years ago this month when this government terrified the country with reports of an apprehended insurrection, which apparently did not exist? I ask the people and the Parliament of Canada, I ask Canadians who are worried about civil rights—and I believe the Solicitor General is or was one who was worried about civil rights—to imagine the results of a referendum on civil liberties, a referendum conducted by this government during the heat of the James Cross affair. What would have happened to civil liberties then? What guarantees would there have been in the constitution of Canada then? How safe would the people of Canada be if we granted this request of the government—the same government which passed the War Measures Act, which manipulates opinion? How safe would the people of Canada be if those rights could be ruled out by a referendum? How safe indeed?

Indeed, to those who welcome the references in this resolution to language rights and to other rights, remember that those rights, too, would be subject to change by national referendum, and since legislators must contemplate the worst, as well as hope for the best, we must recognize that there could be, on some fundamental issue, some other fever in the country and some other majority prime minister who would say, when challenged, "Just watch me."

This resolution holds a clear potential for the abuse of particular rights or particular regions or particular minorities. That potential for abuse would alarm civilized legislators in any democracy. But the special threat to Canada, the threat that we must consider, is that this resolution would let a central government, with a manipulated majority in a referendum, end the federal system. It breaks the balance which makes the federal system work. We are not arguing now, as we have before in this House, whether Newfoundland should have the same resource rights as Ontario, or who should control cable television. The question here instead is whether there should be two parties to a constitutional decision, or just one, whether Canada is a partnership, as the Fathers of Confederation and every subsequent Parliament believed, or whether we intend to so change the rules as to destroy the partnership.

How can any province negotiate effectively on any question if it knows that a simple act of Parliament and an appeal to public opinion can take away its jurisdiction? If such a system had been in place, would the governments of Ontario in the 1880s, 1920s and the 1930s have been able to protect their resources from the arbitrary unilateral actions of the central government of those times? Would Quebec have been able to maintain its culture and identity in those days when their only protection was the provincial government and the British North America Act?

Mr. Trudeau: The people.

[*Translation*]

Mr. Clark: I heard certain remarks from the Right Hon. Prime Minister (Mr. Trudeau), and I hope he will be interested in contributing personally to the debate, either today or later on. I am told he is very interested in the matter. I will be quite ready to accept his remarks when he is in his seat, and I hope that before the end of the debate he will be there to speak directly, to give his own views on the matter.

But I would like at this point to deal with something the Right Hon. Prime Minister referred to. When he campaigned across Quebec, he often referred to a renewed federalism, because in May, 1980, Quebeckers once more gave a dramatic proof of their faith in this country. This was not only a negative answer to sovereignty-association. Quite the contrary, it was a highly positive gesture that clearly demonstrated a desire for change. In May, 1980, Quebeckers voted for a renewal of our Canadian federation. Quebeckers believed in the message of Claude Ryan, in the Canadian renewal message that I also gave during the referendum campaign. And Quebeckers trusted the Right Hon. Prime Minister.

Mr. Ryan did not change positions, neither did I. We still believe in the principle of federalism, adapted if need be to the reality of today's Canada and tomorrow's Canada. Unfortunately, the same cannot be said of the Right Hon. Prime Minister. His concept of federalism is much closer to a unitarian state than a federal state. Because such is the basic meaning of the resolution now before us. Rather than renewing our Canadian federation, the Canadian government may destroy it. What the government is now proposing is not only patriation or Canadianization of our constitution, it proposes at the same time to submit to the Parliament of Westminster several formulas for future constitutional amendments: the rule of unanimity for a transition period, an amending formula roughly the same as the Victoria formula and particularly a third one, the one that I mentioned and which substantially amends our federative system.

• (1720)

We, for our part, are not only in favour of patriating our constitution but we are also convinced it is high time this was done without delay. In addition, we believe that patriation must be accompanied with an amending formula but the

formula we propose is not the rule of unanimity, it is not the Victoria formula even amended, it is not above all the formula that would give Parliament the power to amend unilaterally the constitution by way of a referendum and, in so doing, over the governments and the legislatures of the provinces.

The formula we propose is the Vancouver formula which was raised at the last first ministers' conference and on which a consensus would have been possible at that conference if this government had accepted a true dialogue in that regard. Here is our position: patriate with an amending formula based on the principles of the Vancouver formula. But the proposed resolution, as I said, goes a lot further than patriation with an amending formula. It would bring in at the same time in the process substantive changes to the Constitution of Canada.

The question is not whether those changes are valid or not. It is the very fact of asking the Parliament of Westminster to make such substantial changes that is the real problem, the essential problem for us Canadians. The paradox is that the Prime Minister is asking us to break the last colonial tie we have with England and at the same time he uses that colonial tie to change our federal system and bring in fundamental amendments to the constitution. We do not agree on that.

The changes to be made to the constitution must be made in Canada by Canadians and not by the Parliament of Westminster in the course of patriation. We shall make these changes when the constitution has been brought back with an amending formula on which both levels of government will have agreed. We shall decide among ourselves whether, for instance, to entrench in the constitution a charter of rights and what this charter should contain. We shall decide among ourselves whether equalization should be the subject of a constitutional provision.

In other words, we shall bring about ourselves the changes needed to renew the Canadian federation. This is our position: to bring back the constitution with an agreed formula and nothing else.

It is in this optic and for these reasons that we shall discuss this resolution and that we shall use all means at our disposal to amend it and make it acceptable.

[*English*]

The work of amending the Canadian Constitution is for Canadians to do, not for the British to do. The Prime Minister of Canada is asking that a certain, select list of amendments, those that he prefers, should be "snuck" through by the British people and by the British Parliament. I say that the Constitution of Canada should not be amended in substance by the people of Britain, that the Constitution of Canada should be amended in substance by the people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: That is the issue here before this House of Commons. Every single member of this Parliament would like to have the Canadian Constitution brought home. but we want to have it brought home in a way with which we can work with it, and then we want to go to work with it. We know the inequalities that exist in the country. We know the errors that exist now in the constitutional status quo. I have spoken against it in the province of Quebec during the referendum. I have acted to end, or begin to end, that inequality as prime minister of Canada by recognizing the right of coastal provinces to be treated as equals with the provinces in which the resources are under the land.

We want to change the Constitution of Canada, but we want to change our constitution here in Canada. That is why we take such deep offence at this attempt by the Prime Minister of Canada to run around Canadians, to get around us by sneaking away to London to have our constitution changed in his way first before it comes home so Canadians can get their hands on our constitution to change it in the way they would like to see it changed.

Some hon. Members: Hear, hear!

Mr. Nielsen: Now someone is speaking for Canada.

Mr. Clark: It is bad enough that this government has so little confidence in the provinces of Canada that it writes in a section 42 which will allow the provinces, the provincial governments and the provincial legislatures, to be written out of the picture. That is bad enough, but what is worse is that this government has so little confidence in the citizens of Canada that the Prime Minister will not risk putting those amendments which are closest to his heart to the people of this country. Instead of putting them to the people of this country, the Prime Minister proposes to put them to the people of another country. He proposes for the last time to take advantage of the colonial status inherent in the British North America Act and to use the fact that it is a colonial document and that it is in Britain to have it changed there, rather than changed here where it should be changed.

This is an anniversary for the Prime Minister, because ten years ago this month he introduced the War Measures Act.

Mr. Trudeau: And you supported it.

Mr. Clark: I was not here. It is also an anniversary for me, because it was eight years ago this month that I was first elected to this House of Commons. During that time I have been engaged in debate on many measures, many for which I had deep feelings and in which I became intensely involved. Some of them were difficult. I remember standing between Mr. Diefenbaker, the then right hon. member for Prince Albert, and Mr. Horner, the then Conservative member for Crowfoot, who changed his party but not his position on the Official Languages Act. I remember having to speak at that time in favour of the Official Languages Act bracketed by those two gentlemen.

I have dealt in this House of Commons with issues that touched me deeply and which touched my region and my country deeply. But no proposal which has come before this Parliament in my time here has alarmed me more than the

proposal that is before us today, because it is not simply a change in a law; it is a change in the way of governing Canada; it is a change in the fundamental respect that we have always shown for the two levels of government and for the essence of the federal system.

What alarms me and the members of my party is not simply that a bad law has been introduced, but that a proposal has been put before the Parliament of Canada that could destroy our federal system. When that is married, if it is, to the initiatives we hear are being planned with regard to energy policy and which are bound to enrage western Canada, and set into context with the province of Quebec where there is now already deep disappointment and concern about whether or not people were misled by the statements made on behalf of federalism—not by Claude Ryan nor by myself—in the referendum campaign, then we could have here a situation which is of the gravest danger to this country.

● (1730)

I say that with sorrow. I say it in the hope that some of my friends in other quarters of this House of Commons, that some of my friends elsewhere in the country who know my feelings for Canada even though they may not share them in each particular or each matter, will understand with what sincerity I express our concerns about the provisions of this bill—provisions which I believe could not simply end the country as we know it, but could end the country itself.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Madam Speaker, in this historic debate, I think that all the details of this proposed resolution, in terms of the consideration of its relevance and whether we should support it or not, can be reduced to two questions.

The first question is—is it legitimate, is it appropriate at this time, for the Parliament of Canada, alone, to be supporting a resolution that would change the constitution of this country? That is the first question.

The second question to be answered, whatever one decides on the first, is whether the particular package we have before us on a range of matters—and I shall come to those in a minute—is one we should support on its own terms whether it was submitted as a resolution by the Parliament of Canada or whether it came after unanimous agreement between the government of the day and the provincial governments of the day.

Surely those are the two questions. Are we right at this point, in 1980, to be acting, here in Ottawa, alone? The related question, of course, is whether we have any right not to be acting at this point, and I want to deal with that one as well.

Then we have to look at the package, Madam Speaker. My party and I, not only before the referendum but right at the time of the referendum as well, have said that the process we have used to get constitutional change in Canada has not been effective. The Minister of Justice (Mr. Chrétien) listed instances of previous conferences—with different prime ministers, not just the present Prime Minister (Mr. Trudeau)—where the unanimity rule was said to prevail and when we did not get change. For this reason my party and I have believed for a long time, particularly since the referendum, that the best way of building the consensus the Leader of the Opposition (Mr. Clark) is correct to be concerned about, would have been to broaden the basis of discussion over the summer to get away from the institutions of power alone.

I am not going to pass judgment because, frankly, it is irrelevant to the debate now whether a premier or a set of premiers or the Prime Minister himself brought to the particular conference that took place the best set of attitudes. I do not think that is relevant.

I do think the structure within which we have been operating—the unity principle—had built into it profound limitations which were not present and have not been present in other federal states.

If you have duly elected heads of government—whether New Democrats or Conservatives or Liberals—at the level of the provinces, and the prime minister, whether Conservative, New Democratic or Liberal, heading a federal government, then you have a conflictive situation that is almost impossible to resolve.

At any other point in our history, if we had not gone through this for so many weeks, months and indeed years, I would say we should give it another chance. I would say, "Let us try again." But surely, Madam Speaker, it is indeed time to act, and act now, on the Constitution of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: There is no doubt that the premiers from almost every province, the leaders of all the parties within Quebec in the referendum—and we were not always on the committee and that has been mentioned—all spoke for federalism—and said in that context that we wanted change. But it is not just—

[*Translation*]

Quebeckers are not the only ones to have problems as concerns the future of Canada. It is a fact that Quebeckers want some changes, but people also want some changes in every other province, whether in Newfoundland, Alberta or British Columbia.

[*English*]

The particular changes of the province of Quebec may be one kind but the changes in other regions of Canada at this moment are real as well. They want change; they want action. Whether one wanted the timing to be somewhat different or not, is irrelevant. We sense a mood in the country in its different regions that is saying, "Let's have some action. Let's break the roadblock." I repeat, I am not blaming the premiers. That is intellectually vacuous. I am not blaming the Prime Minister, either, since in my view that would be intellectually vacuous too.

The point is that if one thinks we have to do something at this moment in our history, then I, as one Canadian not exactly old yet, but too long in politics and feeling already we ought not to sit around as Canadians without our own constitution, want some steps to be taken and I want them taken now.

Some hon. Members: Hear, hear!

Mr. Broadbent: If you say there is a mood in the country that we ought to deal with it now, then I say, with respect, to the Leader of the Opposition that we have to act now. If he is correct in his judgment that the package is wrong and could be divisive and would lead to what his rather dramatic—and I do not share the judgment—concluding sentence—could lead to the breakup of Canada,—then I am going to argue something different if we get a different kind of package.

Some hon. Members: Oh, oh!

An hon. Member: How naive.

Mr. Broadbent: Just listen to the argument, please. I sat and listened with care to two important speeches and now I have some points I want to make.

The point I am making is that here is an historical circumstance that presents an opportunity for change. The Americans had to go through a revolutionary war in order to effect change and I could list a whole series of modern nations where constitutional change took place at a particular point in time. If you do not seize the opportunity to reduce the grievances and ease the tensions, it may be lost. The tensions, whether they are those in the province of Quebec at one time in our history—and I shall come to another part of our country in a minute—or somewhere else, will become too great. Then we might lose this land of ours in its present structure and we might create one, two or three Canadas. I think at this point in our history the situation is as serious as that—that we have to seize the opportunity for some change.

If that is the case, then the relevant question is whether the package before us is going to be divisive. It is a serious matter to go against the premiers—it is a serious act and I acknowledge that; it would have been preferable to get an agreement, but if we are going to do it, are we presenting a package that Canadians, whatever their partisan affiliation can accept? We know that the militants in all parties are going to have their partisan concerns but I am talking about people who may vote at one time or another for one party or another and who do not pay much attention to constitutional debate. When they see the package they are going to be asking themselves, "Can I as a farmer, or as a fisherman, or as a lawyer who may be concerned about civil liberties, accept it in my part of Canada?" It seems to me it is in this context that we have to look at the package.

The mix of items is important. The number of items is also important. I do not think it appropriate for us in the Parliament of Canada to be amending a whole range of items across the board and then saying to the British parliament, as the Leader of the Opposition has correctly said, that most of the changes should be made here in Canada by Canadians, and not elsewhere.

Some hon. Members: Hear, hear!

• (1740)

Mr. Broadbent: We need a balance in proposals; we need a limited number of items. I want now to apply that test to the resolution before us.

I want to say at the outset that I do not see it. Rather, I would have seen one particular package having come from the government as a personal set of priorities from the Prime Minister, because he talked about a lot of things in the summer which did not get support from the premiers, which did not get support from the Conservative party, which did not get support from the New Democratic Party, which, I say, in all candour, are not in the package.

I want to give credit where it is due by saying that the Prime Minister backed away from certain things that I knew were being discussed. I had anticipated they would be here, and they are not. So I ask: what is there? There is a patriation aspect to the bill, which, as I have already indicated, in principle we support. The hon. member for Winnipeg North Centre (Mr. Knowles) submitted on behalf of my colleagues a private member's motion or bill 20 years ago calling for patriation. The idea of patriation is hardly new to us.

Then what about a charter of rights? The minister said there are only four or five essential things in the bill, so it is limited in number. We have to discuss those things to see if they merit support. There is a charter of rights. These items, I say, may be believed in by the Liberal party, but they are also things which my party has argued for for years: patriation and rights.

The former member for Greenwood—Andrew Brewin—I will mention him by name because he is no longer here—a distinguished Canadian who fought for Japanese Canadians back in the forties when it was not popular to do so, argued for a charter of rights for the then CCF. Subsequently, the New Democratic Party adopted the same position.

We want a charter of rights. For example, if we had had a charter of rights back when the Prime Minister was active in a non-political way fighting the Duplessis regime, we might not have had a padlock law in the province of Quebec because it would have contravened a fundamental right such as we are, perhaps, going to entrench. We might not have had an Alberta press bill in 1937. We might not have had a government in Newfoundland which tried to violate the rights of workers in 1959 when the premier of the day and his government broke up the IWA, violating, in my view, the right of association in a fundamental way. So, Madam Speaker, we want a charter of rights. We think it is overdue. One can debate, as our members will in committee, some of the particular rights envisaged and propose certain amendments which we hope will be seriously considered, but we are on the record as favouring a charter of rights because it is important to restrict governments in

advance from doing certain wrong things as well as to give citizens the right to challenge them subsequently if they have done those wrong things. In that context, my caucus colleagues are particularly concerned about the rights of native people. I am not going to elaborate on that aspect this afternoon, but you can be sure that someone in committee will be raising from our point of view our concerns about the inadequacy of the measure as it affects native Canadians.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: I would now like to talk about language rights. If I may, I shall say a few personal words. As a candidate in the 1968 election, I defended the rights of Francophones in Oshawa for the first time in my political career.

[*English*]

It is a matter, surely, of all the things that we ought to believe in and ought to implement if we believe in the duality of Canada. Specifically, that we in English Canada at long last should be saying to Francophones, whether they are in Manitoba or Maillardville in British Columbia that we are not going to force French down people's throats, Francophones outside Quebec ought to have the same rights as Anglophones in the province of Quebec in terms of education.

Some hon. Members: Hear, hear!

Mr. Broadbent: So we believe in that part of the bill and we think it is time to do that, especially in light of the referendum.

I add, too, that we will have something to say in terms of an amendment in that respect. It seems to us that the first ministers' agreement of 1978 said, "Yes, minority language in the schools," but also, "Yes where numbers warrant." But the provinces should have the jurisdictional authority to establish by definition what the numbers are. I see the Minister of Justice nodding in agreement suggesting at least a sympathetic understanding of that important provincial point.

Mr. Lawrence: It is not in there.

Mr. Broadbent: It is not in the bill now, but it is an amendment we will be looking at.

With respect to equalization, which is the fourth key item of the bill, as the leader of a social-democratic party I can tell you that if there is one thing we believe should be entrenched in the constitution it is a fundamental goal of equality that will remove a lot of unfair distinctions.

Again, the question is not one of principle. Surely in the bill we should be talking about these fundamental principles. We agree with them. We will have something to say in committee about the wording. We think there is a better possibility to deal with it in the constitution, but again we think it should be there. It is a New Democratic Party principle that should be there.

An hon. Member: Oh, oh!

Mr. Broadbent: A Tory snickers. Maybe it is because he does not believe in equalization. I can understand that, but we do.

Mr. Clark: Madam Speaker, I rise on a minor point of order. I am sure that the Leader of the New Democratic Party (Mr. Broadbent) made that comment flippantly. He knows that the inculcation of the recommendation for enshrining equalization in the British North America Act, which is part of the Kingston communiqué, has been part of the policy of this party for several years. I am sure it is simply rhetorical excess.

Mr. Broadbent: I simply point out to the Leader of the Opposition that it was not one of my colleagues who was snickering when I was talking about equalization, it was one of his.

Mr. Malone: We snickered at you claiming it was yours.

Mr. Broadbent: In this motion I have talked about certain matters of substance that in principle we agree with, namely, patriation, rights, language rights, equalization—

An hon. Member: Why don't you join them?

Mr. Broadbent: Finally, there is an amending formula. We have some very serious concerns about one aspect of the amending formula. I mention the two-year rule where unanimity is to continue. I say to the Leader of the Opposition, one of the things which appealed to me is that it will stop any further unilateral action by Parliament for the next two years moving in that way during the two-year period the unanimity rule is in force. What is to come after that, we have some concerns about which we will be expressing in committee. However, I hope we can approach this aspect. I say both to the government and to the official opposition that when we get to committee I hope we can discuss some of these details in a sensible way, if we agree on the principle, in order to get some decent amendments accepted.

If what I have said so far is acceptable in principle, even if a number of details have to be dealt with in committee, there is a fundamental question for myself and my colleagues which is not adequately dealt with because the balance that is necessary in a federal system is absent. I say with all seriousness to the Prime Minister that from time to time I have found his rhetorical response offensive to the premiers who have said they want to get a resource item in the constitution. The Prime Minister has a tendency in his polemical way to say that they want to bargain fish for rights. I say to the Prime Minister and through him to the Minister of Justice: surely, that is not the response. The issue is not, in this context, one of rights or resources. Surely we can have both in a constitution—resource control and fundamental rights.

I appeal, particularly to the government of the day. When we are making serious changes affecting language rights there is the possibility of being misunderstood. We all know about that elsewhere in Canada. I can almost hear the arguments now that we heard a few years ago when we passed the official

languages bill with support of all parties when the accusation was made that we were trying to force French down people's throats. Well, it was not true then and it is not true today in this legislation. We must head off the bigots before the arguments start. One of the ways to deal with it is to give a package which includes the matters I have talked about in principle and also says something to ordinary Canadians, whether they live in Newfoundland and they are concerned about resources there, in Nova Scotia, the prairies or the province of Quebec. In particular, I want to emphasize western Canada in this debate.

● (1750)

I wish to digress for a second, not because resources are more important substantively to western Canadians than to those who live in Newfoundland. In recent history we have gone through a difficult period in terms of Quebec-Canada relations. One would have to be dreaming to contend that such has not been the case. All the difficulties have not been removed. That is for sure. However, as a Canadian from central Canada, I am concerned about another region, that is the west.

Over the past 20 years we have had to deal with national unity with a Quebec focus. Over the next 20 years, if we do not do what is right, we will have to deal with national unity with a western focus. As someone from southern Ontario, I want to stress this. We should not kid ourselves. The west was settled by men and women who had a tough time for many decades. They saw my home province of Ontario and the province of Quebec imposing tariffs to protect their industry. They saw us getting very wealthy. They accepted that, in part because they had such things as the Crow rate which offered some sense of equity. However, on the whole, they were poorer than the rest of Canada.

They now sense that with their control of their resources, they can somehow make up for our control of industry. They have oil, gas, potash and lumber. There is increasing world demand for all of these things, both in terms of finished products and manufactured goods. Because of this, western Canadians are now saying they can do it. However, they are apprehensive. It should not be reduced to paranoia. They are apprehensive that those of us who numerically have power because of the greater population in central Canada will take the resource control away from them.

That is not the concern of the parties. It is a human concern which has been expressed by ordinary people in western Canada who are not members of any party. Therefore, if we want to get this good and civilized package, as I described in principle on another occasion, one that is acceptable to the people of our country, and if we want to head off the bigotry and have an element of non-partisanship in this important debate on the future of our land, then I say to the Minister of Justice, please moderate the language, even that which you used today. There was some opening on the question of resources. However, the minister seemed again perhaps to close the door. I hope that is not the case.

We should take this package to our people and get them to defend it. I again emphasize, this is not only the west. There are people in Atlantic Canada who do not want to survive on equalization. They want to get control of their resources, legitimate control. They think they can move out of poverty and become independent, getting away from handouts. That is important.

In particular, we must say to western Canadians: let us legitimize what you thought you had before some recent Supreme Court decisions. Let us say that to this package of changes, which is limited in number, we will add another one. I will be very specific about what we see as a condition for our party being able to support this. I do not want to do this timidly or half-heartedly, one that is part of the package. I hope the Prime Minister will now show greater flexibility on this.

Let us take the two points talked about on the opening day of the first ministers' conference. One is the provincial right to indirect taxation. That does not stop the "feds" from collecting income tax. It does not take away any federal authority. It will simply give the provincial governments the right to impose indirect taxes on their resources so as to do something for their people. There was agreement on the first day, but it is not in the package.

The second important aspect of resource control is interprovincial trade. The premiers were prepared to say that they wanted a role in interprovincial trade, but with federal paramountcy. This was in case one provincial government might want to give preferential treatment to or discriminate against another province. I understand the premiers accepted this need for federal paramountcy within the new power of a provincial right to participate in interprovincial trade and constitutionally have a say in it. Those are the two points of basic importance to give us a package so that we can say we not only believe in rights, whether they are language rights or other rights or equalization, although equalization is not important to the western provinces now in terms of dealing with their needs. They feel they are on the go and we should be encouraging this feeling instead of holding them back.

I want to conclude by saying on behalf of my colleagues that there is much in this proposal that is attractive to us, not because it comes from a Liberal Prime Minister but because it reflects resolutions and motions passed by my party over the years. If the government will show flexibility in committee and accept some amendments, we can have a decent piece of legislation. If the government wants our support in the House of Commons, the very minimum it must do is to make reasonable, fair changes in the constitution in the resource sector which are important to Canadians wherever they may live in this land.

I conclude by saying that this is an historic event because if this measure passes, we shall be changing the fundamental law of our land. I hope when the bill comes back to the House from committee, it will be so improved that members of all parties can be proud to support it.

Some hon. Members: Hear, hear!

Mr. Caccia: Madam Speaker, in view of the hour I wonder whether there is a disposition to call it six o'clock?

Some hon. Members: Agreed.

● (1800)

[*Translation*]

Madam Speaker: It being six o'clock I do now leave the chair until eight o'clock this evening.

At 5.58 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Chas. L. Caccia (Davenport): It would be worth while for one moment, Mr. Speaker, to ask ourselves tonight, during what the preceding speaker described as an historic debate, why we are amending the constitution.

As I recall it, the process of looking at our constitution was initiated in the city of Toronto from which I come. At the instigation and initiative of the then premier of Ontario, Hon. John Robarts, a conference was called together, and it was perhaps from that moment that the movement began in Canada, in recent times at least, toward the development of an all-out effort, initiated at the provincial level, to reform the constitution. Now tonight, some 14 or 15 years later, we find ourselves involved in what hopefully is the concluding phase of that process.

If you look at this document before us, a "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada," and begin to read it you will see there is a heading on page 3 which immediately jumps to your eye, namely, the "Canadian Charter of Rights and Freedoms". In that schedule we find fundamental freedoms spelled out as follows:

(a) freedom of conscience and religion;

(b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of information; and

(c) freedom of peaceful assembly and of association.

A growing number of Canadians have over the years expressed their desire to see freedoms of this kind safeguarded in our constitution, and you will find them among our majorities as well as our minorities across the country. May I point out to you also, Mr. Speaker, that since the end of the war over four million individuals have come to Canada to settle here from coast to coast. It is among those four million new Canadians that you will find a very keen desire to have these rights and freedoms and a charter embracing them in our new constitution. The fundamental freedoms as set out in this resolution will give our people a reassurance of how deeply Canada once again is committed as a nation to such basic principles.

Over the weekend in Toronto a number of people approached me and voluntarily expressed their support, quite vigorously so, for a charter of rights and freedoms, embodied in the constitution and they expressed their delight on learning through the media that this is the case. The same can be said for our fine democratic rights and the principle of mobility and of legal rights as outlined in this proposal.

I would like for a moment to deal with a question in relation to this resolution under the heading "Minority Language Educational Rights".

● (2010)

I have difficulty putting this all together into one title because it is my concept of Canada that language rights are attached to what are majorities in some parts of the country and to what are minorities in others, but that these are two major groups in our society from which educational rights flow. What is contained in this bill seems to me to be a very good step in the right direction in the light of present political circumstances and within the limitations imposed flowing from three months of consultations between Ottawa and the provincial premiers. However, I hope that one day our constitution will give to anyone the right to have his children educated in the other official language. When it comes to English and French, each of these languages is a majority language in some parts of Canada and the world. We have here a great cultural, linguistic asset, and the least we can do to give the fullest scope to this linguistic heritage of ours would be, in the long run if it cannot be done now, to modify clause 23(2) and to remove the idea that only a sufficient number of children would warrant minority language education.

One child in this nation of ours should be sufficient, in my view. Otherwise, how can a Francophone civil servant be transferred from Quebec to Alberta and have the assurance that his children will continue to be educated in French? Or let us consider the English-speaking family in Toronto which wishes, a more recent development in our city, to have its children educated in French. It is the desire of a growing number of Canadian families to bring up their children fully bilingual, competent in both languages, in the hope that by doing so over the years some of the isolation between the two major groups will be reduced and in the long run completely eliminated. That effort, of course, begins through the effort that is made in the learning of a language at an early stage in life. A growing number of Canadians, I am glad to report, not only in Toronto but I understand also in Vancouver and other cities want to bring up their children in both languages.

I believe firmly and passionately that Canada never was and never will be a country of one language and one culture. I believe that our existence and survival in North America will depend to a considerable degree on how clearly we have established in our minds—and as a result of that in our laws—the essential quality and character inherent in Canada, the concept of bilingualism, from which naturally flows that of multiculturalism.

Moving on to other parts of this bill, I am glad to see a clause dealing with unclaimed rights and freedoms related to native peoples.

I am glad to see that full recognition will be given to the principle of equalization as a cornerstone of our confederation.

With regard to the amending formula, it is a rather technical expression. As I understand it, it means the rule that will be followed when we make changes to our constitution. The proposal before us, it seems to me, is the quintessence of reasonableness. Step one: What is proposed here is that for the next two years another try be made. The hon. member from British Columbia laughs at the expression "quintessence of reasonableness," but I suspect that he, like his leader, is one of those Progressive Conservatives who is being reluctantly dragged into the twentieth century by this bill. It is high time they were dragged into the twentieth century reluctantly, but that is their problem, not ours.

Let me go back to why I describe this proposal as the quintessence of reasonableness. Step one: This bill tells us that for the next two years another try will be made by the ten provinces along with the federal government and that if a formula is agreed upon unanimously, that will be the formula to amend our constitution in the future, and the problem will be solved.

Step two: If efforts should fail, then, as I understand the bill, a formula agreed upon by eight provinces with no less than 80 per cent of the population would be put to the people by means of a referendum. The people of Canada would be asked to choose between the formula agreed upon by the eight provinces, a formula similar to the one agreed upon in Victoria or a formula which might be proposed by the federal government.

There is a third step because it may be that the eight provinces representing 80 per cent of the population will not come up with a formula. If the eight provinces do not agree, there would be an automatic coming into force of the formula agreed upon unanimously by all provinces in 1971 in Victoria.

Mr. Friesen: Mr. Speaker, I wonder if the hon. member would allow a question.

Mr. Deputy Speaker: Would the hon. member permit a question?

Mr. Caccia: Mr. Speaker, I would rather complete my remarks, and then I will be glad to reply.

How much more reasonable can a proposal be? The proposal sets out three steps. It sets out one following the other. There would be an attempt once again over two years to come up with a solution with the ten provinces. If that fails, eight provinces come up with one, and finally we go the route of a referendum, an idea which opposition members and the provincial premiers really should not find too offensive, that of turning to Canadians to ask them for an opinion. Perhaps that is an idea which might be worthy of their support. After all, we live in a democracy. After all, the loyal opposition believes in democracy. Here is a proposal which says that if step one fails and if step two should fail, we would then put the question to the people, having exhausted all the other alternatives. Having resolved the question of the amending formula through these three steps I have outlined, no longer will the amending formula, as Senator Forsey once put it, be suspended between earth and heaven like Mohammed's coffin. It will have been dealt with.

In conclusion, I would like to say that change is not always easy, and in this case we are adopting in our constitution new concepts like the Canadian charter of rights and freedoms.

● (2020)

We are changing as individuals; we are changing as a nation. Our values, our goals, have been changing since 1867 by way of immigrants, by way of new Canadians, by way of the evolution of our own thinking as a society and by way of the concept we have of ourselves. What is emerging here? Is a new Canada emerging? I say yes, it is a new Canada. The constitution of Canada as proposed by the Prime Minister (Mr. Trudeau) will be remembered by historians, I venture to say. That was the step, they will write, which needed to be taken in 1980.

It seems to me that the proposed constitution reflects the way in which the majority of Canadians think today. But, what is more important, it reflects the world of our young people, the world they see daily in their schools in our large cities, for instance. Our society as it grows and expands requires this Parliament to move now in the direction of offering people protection of their basic rights. It is moving in the direction of asking this Parliament to offer people choices in the unfolding of their cultural and linguistic aspirations, talents and heritage. It is moving in the direction of offering people the opportunity of choosing the instrument with which they will want to change their number one law, namely, their own constitution.

This, in essence, is what the proposed Constitution of Canada conveys to me, Mr. Speaker, the way it stands before us here tonight, the way it was first announced last Thursday by a thoughtful, bilingual Canadian, Pierre Elliott Trudeau. After so many years of negotiations and effort, now is the time to move ahead. Once this task is completed, Parliament will be able to devote its full attention and time to other pressing issues. But now is the historical moment. Now the time is ripe.

Remember, Mr. Speaker, that almost 15 years have gone by since the provinces initiated this process of demanding constitutional reform. How much longer can this process, not initiated by Ottawa, go on?

Remember this, Mr. Speaker: Quebec has a government devoted to the idea of leaving Canada. That government has every possible interest in prolonging this constitutional process. Remember too, Mr. Speaker, that last February most Canadians gave their confidence to our Prime Minister who has the confidence of the overwhelming majority of Quebeckers. Remember also, Mr. Speaker, that while the Tory benches are shaking their heads in disbelief, this very same man, the Prime

Minister of Canada, has the confidence and the full support of Premier Davis of Ontario.

An hon. Member: How about Claude Ryan?

Mr. Caccia: The opposition benches may be trying to reorganize their thoughts. All they can be afraid of is their own fear, their fear within the walls of this building, because out there the nation is vibrant, the nation is vigorous, diverse, beautiful and anxious to go ahead.

Some hon. Members: Hear, hear!

Mr. Caccia: Canadians are expecting from their Parliament no more federal-provincial conferences, which are coming out of their ears. What the nation is expecting from us is, at last, our own made-in-Canada and changeable in Canada constitution.

Some hon. Members: Hear, hear!

Mr. Friesen: Mr. Speaker, as another thoughtful, bilingual Canadian I thought I would ask the hon. member for Davenport (Mr. Caccia), a question, if he would entertain it now. The hon. member used the term "the quintessence of reasonableness" in relation to the amending formula. It has such a beautiful ring to it that I could not leave it alone. I should like to ask him: If eight provinces are uniformly in favour or are opposed to a certain measure but all of them are provinces other than Ontario or Quebec, would they contain 80 per cent of the people?

Mr. Caccia: Provinces must have no less than 80 per cent representation of the population. Therefore, it is a pretty substantial base from which to operate. The hon. member understands that politics is the art of moving with support and a strong base. I submit to him that eight provinces with 80 per cent of the population is a pretty good, solid and therefore reasonable base.

Some hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Mr. Speaker, 113 years ago Canadians, one could say ordinary Canadians, joined together to create a country, a confederation. Theirs was not an ordinary task and their work also has been judged by history as being extraordinary. That task is before us today as well and it is in that spirit of confederation I intend tonight to try and put before the House and Canadians, the spirit on which the country was founded and which is necessary today to make the constitutional changes that are sought by many.

This nation was founded on a spirit of integrity, of mutual trust and, above all, on compromise. Canada has proven to be a difficult nation to govern. It has taken great wisdom and a willingness to co-operate and also real concessions on the part of all who have been our political leaders.

Now the Prime Minister intends to complete the foundation of our nation as he sees it by improving the cornerstones. His proposals and his actions over the past few months have ensured that our foundation will be completed in an atmosphere of distrust, disunity and open confrontation. If he is allowed to follow his proposed course of action, he will not, as he claims, unblock the future progress of constitutional reform but rather he will disrupt any possibility of it ever being undertaken with the unanimity that we all seek.

Canada needs and wants our constitution brought home which would be amendable in this country. Many Canadians urgently require real constitutional renewal. The time has come to meet those demands but this will only be possible in what has been termed the Canadian way. We cannot ignore 113 years of experience which has taught us the need for co-operation and compromise on the part of all our political leaders. Unilateral action and confrontational politics will not mark the end of our beginning but rather the beginning of our end. These leaders accepted such an arrangement because it was in accord with the political and social reality of the nation, and I suggest to all members of the House that that reality still exists today. First, Canada is a federation, a partnership, and this fact is central to the view that we hold of our country. The Prime Minister puts forward the position that the provinces must be subordinate to the central government. The provinces then retaliate by rejecting new arrangements because of the circumstances and the atmosphere that has been created. So, we must ask ourselves as members what is best for our country. We on this side of the House believe that both levels of government must be strong. An order of checks and balances must prevail and that order of checks and balances cannot be broken. No central government has the right or the power to change the division of powers without the agreement of the other partners, and no province has the right to reduce the federal government to a mere "chairman of the board" role.

● (2030)

Over the past few months I have been disturbed, as I am sure others have been, to hear various commentators and other people suggesting that what the political leaders really intended in 1867 was the creation of a dominant central government with subordinate local counterparts known as provinces. They point to the broad general powers given to the federal government, particularly the power of disallowance. Yet, at the time of confederation it was suggested that the federal government model this power after New Zealand's strong power disallowance. They rejected that position. As we seek to patriate and alter our written constitution, it is important that we remind ourselves what the document is that is planned to be changed. The British North America Act does not spell out all the rules by which our political system operates. Most of these rules are not written down anywhere but have evolved as conventions through many centuries of experience. It is at our peril if we reject that experience. In Canada we can be proud that we have inherited the most admired democratic system in the world, the British parliamentary system. Canada has a few of these rules written down because unlike Britain Canada is a federation. Most of these rules are contained in the British North America Act which outlines the basic institutions of each order of government and their respective powers. In other

words, Canada's written constitution defines its federal system. The British North America Act was the product of discussions and mutual concessions between representatives from the various colonies of British North America. Many Canadian political leaders at that time would have preferred to create a legislative union or a unitary state. Included in that group was our first prime minister, Sir John A. Macdonald, who preferred a legislative union but agreed to establish a federal system. One must ask the following question: Despite such personal inclinations and backgrounds, why was the federation formed? I should like to quote John A. Macdonald who said when speaking of New Zealand that they gave the powers stated to local legislatures but the general government had power to sweep these away. This is just what they did not want. Lower Canada and the lower provinces—that was the maritimes at the time—would not have such a thing. Today the ten provinces—and I want to include the two territories north of sixty—will not have such a thing because their powers will be swept aside. This is the reality we face. Tempered by this political reality, the Fathers of Confederation limited the power of disallowance so that provincial governments would remain strong enough to protect their traditional powers. That cannot change today.

When Lord Carnarvon, the official who helped translate the Quebec resolutions into the British North America Act, presented this act to the British Parliament, he affirmed the nature of the confederation bargain. As we start this debate, I think it is important to understand that bargain. I should like to quote him as follows:

> The adoption of the principles of federation, as compared to what might be preferable if practical, a solid legislative union, is simply the consequence of the absolute necessity of the adjustment of inveterate local interests and the ultimatum of mutual compromise between the provinces.

He went on the explain the British role respecting that agreement as follows:

> As the arrangement is a matter of mutual concession on the part of the provinces, there must be some external authority to give a sanction to the compact into which they have entered . . . Such seems to me to be the office we have to perform in regard to this bill.

Of course he was referring to the British North America Act. I believe what he said applies today too, that is, that the compact which was formed was incorporated into the British North America Act and any amendments, any changes, or call it now the constitutional act, 1980, cannot fundamentally alter that partnership without agreement.

Some hon. Members: Hear, hear!

Mr. Epp: Therefore it is essential that any constitution recognize the sanctity of the federation and the supremacy of jurisdiction of federal and provincial governments as provided in the British North America Act.

Since 1867, then as today, the British parliament has acted as the external authority protecting the terms of the confederation agreement. Our native Canadians make an excellent point when they say that that was part of the bargain struck in 1867 and that they are part of that bargain. It might not be very popular with some members of this House and perhaps some Canadians to mention that the native people made this bargain, but the fact remains and one cannot alter history. If we want to have a just system, we must finally recognize that these rights were enshrined in the British North America Act of Canada's first citizens.

During this past century it has been clear that the authority of Britain has been formal more than real. The British parliament, all the statements of ministers of the Crown to the contrary, has not made major changes to Canada's constitution except in response to formal requests from Canada. The Prime Minister and his cabinet colleagues, are not relating facts when they say or leave the impression that patriation must take place in order to end Britain making laws which affect Canada. Just recently the Minister of the Environment (Mr. Roberts) made that statement again on national radio, leaving the impression that in the absence of patriation there seems to be a whole stream of legislation coming out of Westminster which is affecting our lives. That is simply not true.

For example, as early as 1925 Prime Minister Mackenzie King could confidently tell the hon. members of this House that the formality of processing amendments through the British parliament was no indication of Canada's subservience. Still, since the 1920s, Canadians have shown a recurring desire to end this formal authority, not because it presents some real threat to Canada's sovereignty, but so as to affirm our independence. I share that view as do my colleagues. Patriation, that is, making our constitution truly our own, has come to be increasingly important to all Canadians, especially those Canadians under the age of 30. I believe it is an act of national self-confidence, an affirmation of the future harmony and unity of our great nation. Also it is necessary to show Canadians and the rest of the world that we are a sovereign country. In that respect we have no disagreement with the Prime Minister in terms of the act of patriation. We could go into some detail as to the process, but I do not think it is necessary. The Minister of Justice (Mr. Chrétien) gave the historical context of the number of times attempts at patriation have been made, but one fact must be kept in mind by all members in terms of the changes made to the act in 1949 at the time of the prime ministership of the Right Hon. Louis St. Laurent. At that time in 1949 that prime minister assured members of the House that Parliament was limiting its unilateral amending powers so as not to interfere with the protection provided to provincial and minority rights in the constitution. That guarantee was given by a Liberal prime minister not many years ago. He outlined in the House that if there was to be a complete amending formula there had to be guarantees. He put it as follows:

> We do not want the Canadian constitution to be too rigid, but we do want to make sure it contains the fullest safeguards of provincial rights, and of the other historic rights which are the sacred trusts of our national partnership.

That Liberal prime minister recognized the nature of the federation, that is, when it is changed it must be changed with as broad a consensus as possible rather than saying, "I am the prime minister. I will do it. You had better agree or else".

That is the difference. It is very simple. It is attitudinal, but it concerns the manner in which this country can function and the only manner in which it will.

● (2040)

It is our duty as the official opposition to be wary of the manoeuvres of this Prime Minister, not that patriation is questioned on our side, but what are his other actions? What are his other goals? Today, for example, the Minister of Justice said this was the first phase; the second phase would consist of re-examining the division of powers.

I will get to the amending formula in a minute. Take a look at the provinces and their wariness, their concern, their opposition to the methods used, their apprehension that an amending formula will be brought in which does not even need their advice, much less their concurrence, and we are told the next round is going to be on the division of powers. The premiers have no choice in that context but to strongly oppose what is taking place on the floor of the House of Commons.

Patriation aside—and I am spending some time on that theme tonight because some members opposite keep repeating this as if there was not general agreement on the need for patriation—what changes to the constitution are needed, if that is fundamental? We then have to ask ourselves by what power and in what way we can change the provisions? Every province, no matter how large or small, entered into agreement and gave up some of the powers it had earlier, prior to provincial status, in the interest of establishing a strong federal government. But because of its unique development in history and the character of each province it retains certain powers necessary to maintain its particular heritage. For example the western provinces, which were created by the federal government, were established under certain terms additional to the British North America Act, terms which I suggest cannot be unilaterally altered. It took a formal constitutional amendment, for example, to alter one of the provisions in 1930, and that was the one affecting the three prairie provinces of Alberta, Saskatchewan and Manitoba, under which we finally got control over our natural resources, something the other provinces already enjoyed. How can you tell the provinces—not the premiers but the citizens of those provinces—that suddenly there must be a new arrangement to cover resource ownership and control? Manitoba, for example, spent a longer period without control over its resources than the period during which it did exercise control. In economic terms, Mr. Speaker, that is the only manner by which those provinces will attain economic equality.

What the Prime Minister says to us, with his amending formula, is that such a formula can be worked out without broad agreement among the provinces. I do not think it can happen that way. For example, the Prime Minister has said that for two years he will guarantee the protection of provincial rights by implementing the convention of unanimous consent. The assumption underlying this action would seem to be that the provinces and the federal government have two years in which to come up with a more flexible amending formula and that this provision would force a decision. As long as this government is in power there will be no incentive whatsoever for the federal government to bargain in good faith. Why not? Because the Prime Minister has repeatedly rejected all suggestions except the Victoria charter, and any new amendment coming in after two years that would deviate substantially from Victoria would be acceptable to the federal government. There is no way in which agreement can be found if the federal government insists on holding this trump card.

The Prime Minister has offered an alternative—a referendum between the federal government's proposal and that of eight of the provincial governments. The Vancouver consensus had a provision whereby the voices of seven provinces comprising 50 per cent of the population could determine the manner in which amendments should be sought. I am one who does not believe that the unanimity formula can work and I think experience will indicate that this is so. On the other hand, I do not believe the 50 per cent was adequate. I personally would have preferred a two-thirds majority. But according to the wish of the Prime Minister, even before an amending formula can be voted on in referendum by the rest of Canadians, just to get it on the referendum order, so to speak, you need eight provinces and those eight provinces must have 80 per cent of the population. It does not take very long to see that there are two provinces which will immediately get a veto. On the other hand, you need a number of smaller provinces which will never compose the 20 per cent, just to have the question put to the people of Canada.

Additionally, there is strong objection to the Victoria charter. People might ask why. There was general agreement to the Victoria charter of 1971 and the amending formula. The fact is that great opposition to the Victoria charter comes from western Canada because in the last ten years the west has changed. It has changed in this way: we have a larger population and more economic growth and we just cannot accept the removal of the principle that in terms of amendment the provinces are not equal partners. We cannot accept that principle because under the Victoria proposals either in the maritimes or in the west we needed two of the provinces to agree and they had to comprise 50 per cent of the population. In practical terms could Saskatchewan and Manitoba ever stop an amendment which would affect their rights? The answer is, no. Alberta and British Columbia could join at any time, or British Columbia at the present time could join with any other province in western Canada. So what is fundamental here is recognition of the fact that if you have an amending formula two criteria must be met. One is approval of the House and the Senate—and this House is a reflection of the population of the country and the way in which that population is distributed. None of us have any argument with that; that is how any of us get here. A province having a larger population send more representatives. But you cannot then ask the provinces to again accept those population criteria. So I say to the government that the Vancouver consensus recognizes that in terms of partnership the provinces have equal right. I say to the Prime Minister and to his colleagues that we

will press very hard to have this viewpoint included either in the resolution or in the report of the committee so that it can become part of our constitution.

Trust the people. That is the point made by the hon. member for Davenport (Mr. Caccia) and the Minister of Justice. Well, Mr. Speaker, I trust the people. Every member of this House has to trust the people because that is how we got here. You finally have to put yourself before the judgment of those from whom you are asking support. But there is a question which remains. Before I even get to section 42, which is so onerous to us, there is the principle of the tyranny of the 51 per cent majority. People say the majority rules. Yes, that is true in pure democratic terms. But let us look at the practical limitations of the constitution. If you subscribe to the absoluteness of the 51 per cent majority, the 51 per cent vote, then on the basis of that absoluteness the dictators in this world were right; they were right to remove the rights of the minorities.

An hon. Member: Auschwitz.

● (2050)

Mr. Epp: There is no question that in the Germany of the 1930s, during the heat of that period, the leader of that day had an absolute majority of 51 per cent. But what happened to the minority? So while one can argue as long as one would like that a majority should govern, if there are no checks and balances in the constitution, you can also develop a tyranny of the majority. On this basis—and I would like to go into greater detail, but I do not have the time—I would like to refer to a scholar who has influenced my thinking on this subject to a great degree, a gentleman by the name of Dr. Francis Schaefer. He says that on this basis law and morals—and that is what we are dealing with in a constitution—become a matter of averages. Yet they are absolutes.

Let us as members never forget that averages can be manipulated and statistics can be used. I do not wish to be disparaging of the media or of my colleagues in the House, but I think all of us recognize that we have a certain ability to move people into certain positions of thought.

What would happen if there were a combination in a referendum of the power of the media and the power of the political leadership to convince a majority for the time that a certain course of action were the right one? Before too may days hence, we would find that the majority was in fact simply a hollow victory to the detriment of everyone concerned. I say to all hon. members that when we get into committee we must be careful about referendums because so often the minority—and we are saying here that we have a charter with which we want to protect the minority—is the very group that can be defeated by the tyranny of the 51 per cent majority.

Although my leader has spent a fair amount of time discussing section 42, I think the reason we object to it bears repeating. The problems arising from the unilateral imposition of the Victoria amending formula, I believe, pale against the other formula outlined in section 42 and section 46 of this resolution. It is a Catch 22 situation, or perhaps more aptly put, a "Catch 42" situation as it concerns the federal government's proposals.

This section has received very little attention from federal officials, the media or hon. members, yet it could fundamentally alter the future of our federal system. According to section 42, the federal government by a simple majority in this Parliament, can initiate a referendum on any constitutional amendment. If the federal government's proposal receives a simple majority of support across Canada, for example in Ontario and Quebec or in two of the western provinces and two of the eastern provinces with 50 per cent of the population of the respective regions, it can remove any of the traditional provincial minority rights without even having consulted the legislatures, much less having received their concurrence.

There is no doubt that this is an affront to the federal system. There are those who have said, "Maybe section 42 is only a throw-away bargaining position". If it is, I say to the government, "Throw it away". I believe that if there is a stalemate, the people should be consulted directly, but only as a last resort. Section 42 does not make such a provision. In fact, it can become an amending formula of the first order. As I have said, we want to patriate the constitution, but we do not accept the Victoria formula as modified in the constitution and we absolutely reject section 42.

I will say a few words on the Vancouver consensus and go on from there. The Prime Minister has frequently criticized the Vancouver consensus because of its provision for opting out. Yet, if an amendment must apply to all provinces, it would be the obligation of the federal and provincial governments to work out suitable compromises. That is tradition in our country. The Prime Minister says that this formula would result in a so-called checkerboard Canada. Personally, I do not think of it as a checkerboard but as a mosaic, and when it is changed we get back to the essence of what Canada is as a country.

Our nation is a checkerboard. That is why we have chosen to call it a federation rather than a unitary state. The point we would like to make to the government is this: we are not saying that the Vancouver consensus or the other formula are perfect, but by the same token the government should not say to us, "Our system is perfect and if you do not agree with it, we will impose it anyhow". That is not how the system works.

There are other points which should be mentioned, for example, the entrenchment of the principle of equalization. This principle has been endorsed by my party for some period of time. The Leader of the New Democratic Party (Mr. Broadbent) gave the inference today that we were opposed to equalization. That is not the case. Traditionally my party has been in favour of resource ownership and management by the provinces.

It is here that I find the New Democratic Party to be most inconsistent. I am not sure whether the Leader of the New Democratic Party had to make his point here with regard to resource ownership being in the hands of the provinces because of the Premier of Saskatchewan. We agree with that approach,

and that was also the position of our government. But if I understand the policies and platform of the NDP correctly, they say they are in favour of a national industrial strategy and nationalization of the oil industry. However, how does it put the square in the round hole when it says, on the other hand, that resources should be owned and controlled by the provinces? It cannot have it both ways.

The NDP are saying on the one hand—and I think it is for political reasons—that the provinces should own their resources. Then it turns right around and says that those very resources should be nationalized and used for purposes of administration control and ownership by the provincial governments.

Mr. Broadbent: Just like potash in Saskatchewan. You can understand that, can you not?

Mr. Epp: I hear the Leader of the New Democratic Party and it seems that another sensitive nerve has been struck. Another point which I think bears repeating in this House is this: Throughout this draft resolution there is no reference to Canadians living north of latitude 60. Do they not exist? Do they not fit into the Prime Minister's plans? I imagine they will be part of the "simple majority" about which he speaks in a referendum.

An hon. Member: All 25,000 of them.

Mr. Clark: Someone demeaned them by saying all 25,000 of them, and I think it was the hon. member for Ottawa Centre (Mr. Evans).

Mr. Nielsen: That is typical.

Mr. Epp: If the Liberals are saying there are only 25,000 residents for instance in the Yukon Territory and another 45,000 in the Northwest Territories, the point is, they are Canadians.

● (2100)

An hon. Member: And minorities.

Mr. Epp: They have the same rights and privileges as those I want and receive. We are not speaking about provincial status nor are they, but in this whole amending formula they do not exist.

An hon. Member: They can't even vote on a referendum.

Mr. Epp: Surely that is not acceptable. I should like now to deal with the charter of rights. There will be a debate, sometime, as to better ways in which we might protect our rights, whether through a charter or through a convention such as the British parliamentary system. One thing we have to keep in mind is that regardless of our viewpoint on how rights are best protected every one of us holds the position, first of all, that we have basic fundamental rights, that these have been respected in Canada and that in each case, every party and every member intends to uphold those rights. That is not the issue. The issue is a fundamental one, honestly held, and that is, how best do you protect them?

For example, at the first ministers conference the Prime Minister made the point, I believe sincerely, that because we did not have a charter of rights, Canadians of Japanese descent were relocated, primarily from British Columbia, to other regions of the country. I have in my riding members of the Canadian Japanese community and I have discussed with them the period of turmoil through which they had to go. The point I want to make is that the Prime Minister leaves the inference that had a bill of rights been entrenched, this would not have happened. That is not so, because in the United States where they had a charter of rights and a written constitution, the same action took place. I am not justifying the action of the United States at that time nor of Canada at that time. That is not my point. They were both wrong. As we examine this question in committee, however, let us be careful to address the fundamental point—not that we have not got rights, but how the rights we have can best be protected.

Some hon. Members: Hear, hear!

Mr. Epp: This raises, obviously, the objection to my argument—that we do not trust the judicial system. That is not the case, Mr. Speaker. I am not for a minute suggesting that the courts do not have an important role to play in the protection of individual freedoms. Under a bill of rights which functions properly, the courts do make many of these decisions but their judgment is advisory. The ultimate responsibility rests here, in Parliament, and in the legislatures. When rights are constitutionally entrenched, when the final decision rests with the courts, the judiciary must be cautious lest it should be charged with partiality or misinterpreting the intentions of the draftsmen and setting a precedent with which none of us can live. So long as the judge's role is advisory, as it is under the Bill of Rights of the Right Hon. John Diefenbaker, the courts do feel more free to be clear and forthright in their judgment.

The real value, as I see it, of a bill of rights, is that it reflects those goals toward which we all must strive. What I have tried to say is that when we entrench a charter of rights, it is not just a symbolic act. It significantly alters the very nature of political responsibility in our parliamentary system.

On a matter of detail, this resolution calls for the forming of a joint committee. Its purpose is to examine a draft resolution for the patriating and amending of the Canadian constitution. The federal government has proposed that the House should appoint this all-party committee to study the government's proposed resolution. The committee will be empowered to hear witnesses and thus ensure greater citizen participation. For months, our party has been urging and supporting the participation of representatives from all political parties from all parts of Canada, as well as certain other groups such as the native people of Canada, in the process of constitutional reform. We have called it a constitutional assembly. Today, we have a constitutional committee. I shall not quibble about the words or the function but the purpose which must remain is that Canadians can be heard.

There are ample precedents for a constitutional assembly. For example, in the United States one was called in the 1770s in Philadelphia. After the turmoil of the Second World War, citizens of Western Germany got together and worked out a constitution. Shortly thereafter they established a country based on democratic rights. They had an economic revolution which became known as the *oeconomishes wunder* and which became the hallmark for the industrial economic society of which we also are part of today.

There is ample precedent, Mr. Speaker, for us not to worry about allowing Canadian citizens to participate in the making of their constitution. We should not be worried about that. It means, first of all, that the committee deadline of December 9 is simply not adequate. If we are sincere that Canadians are to be heard, that the resolution is to be debated and discussed, the job cannot be done in less than two months. It is not possible.

Some hon. Members: Hear, hear!

Mr. Epp: Additionally, the committee report is to be written by December 9. This means it would have to end its debate possibly two weeks before the December 9 deadline. It is an affront to Canadians to ask them to become part of this.

Canadians can be heard—if they can get to Ottawa.

An hon. Member: If there is not a strike.

Mr. Epp: This is where the committee is to sit. Mr. Speaker, I am one who does not believe that the committee's mandate should be open-ended; I believe that now is the time for action in constitutional reform. This party will be proposing that the deadline be extended to a minimum of six months. We suggest this because in this House on June 10 the Prime Minister proposed another deadline, this time on the first ministers. I am convinced, as I stand here, that that deadline contributed greatly to the failure experienced in the former railway building across the street.

Turning now to the matter of a quorum, it is proposed that 12 of the 25 member committee will constitute a quorum which can make decisions. Those 12 members must have representation from the two houses but the resolution does not say anything about more than one party. Is the government serious when it says that Parliament should make a decision without the opposition parties being represented at the time it is taken?

An hon. Member: True grits.

Mr. Epp: I could accuse them of all kinds of things, but I did not think they would be guilty of that kind of action.

An hon. Member: You are too trusting.

Mr. Epp: For a committee to hear evidence, six members shall form a quorum and again, both houses must be represented. But only one party could in fact form a quorum.

The hon. member for Ottawa Centre (Mr. Evans) says I am wrong. He should read his own notice of motion because that is exactly what it says. That is an amendment we want, Mr. Speaker.

I accept that patriation with a unanimity formula for two years is already a substantial amendment, without agreement by the provinces, but we should not go further at this time. We should bring the constitution back and then change it here in Canada—not ask Britain to do it first and then bring it back. If we are mature—and I believe we are as a country—let us exercise that maturity and responsibility and not ask someone else to do it.

There is a saying which goes like this, Mr. Speaker, "Time does not respect what is done without it." I am not an advocate of endless time on this question because I believe this debate in itself can serve to rend the country apart as the various views are expressed ad infinitum.

● (2110)

But the Prime Minister said that he made promises during the referendum debate.

Mr. Clark: And he broke them.

Mr. Epp: I say to him now: let us not exacerbate the situation either in Quebec or in western Canada or anywhere else by being rash. We must not endanger the harmonious operation of the federal system. Therefore, in view of the pressure which this government will receive from all parts of Canada to amend beyond the points I have made, I suggest that the government follow the course struck by the Fathers of Confederation, that of consensus, of debate, of discussion and of agreement. That is the Canadian way, and that, I believe, is the manner in which we should proceed.

Some hon. Members: Hear, hear!

Mr. Evans: Mr. Speaker, I would like to make sure the record is clear on the comment attributed to me by the Right Hon. Leader of the Opposition (Mr. Clark). My comment was in response to that made by the hon. member for Provencher (Mr. Epp) that the people from Yukon and the Northwest Territories were not represented. I said that all 25,000 of them are.

Mr. Nielsen: That is inaccurate.

Mr. Evans: The hon. member for Yukon (Mr. Nielsen) is a member of this House and he represents 25,000 people, the populace of Yukon. The two members from the Northwest Territories, one from the Progressive Conservative Party and one from the New Democratic Party, represent the people of the Northwest Territories. I suggest to you, Mr. Speaker, that my comment was not made in any derogatory sense. I am saying that the people of Yukon and the Northwest Territories are represented in this constitutional debate right here in the House of Commons.

Some hon. Members: Hear, hear!

Hon. Bud Cullen (Sarnia): Mr. Speaker, it seems to me that we may have overworked the word historic, and this being an historic debate. If it is not historic, most assuredly it is important. Unhappily that has not been the case with many of the debates in the House of Commons over the few years I have been here. It seems to me there is a tendency to talk too much rather than too little and to be afraid of setting deadlines and of taking decisions on important subjects because we might not give everyone in the House of Commons an opportunity to speak on each subject that comes before this chamber.

Most assuredly this particular debate, so eloquently led off today by the Minister of Justice (Mr. Chrétien), it is an important debate and one which should capture the attention of every member who should make a point, if he or she cannot be here, of reading the comments that will be made.

I listened with careful attention this evening to the hon. member for Provencher (Mr. Epp). I do not agree with all the conclusions he reached, nor with some of the assumptions he has made. I think he has a tendency to underestimate the intelligence of the Canadian public. He seems to feel that because we have a debate and because we do not totally agree with each other, it is going to tear the country apart. I think Canada has reached a maturity, which the hon. member referred to but almost rejected further on in his address. Canada has grown up. Canada has come of age, and it is about time we had a Canadian constitution amended by Canadians under which Canadian decisions are made about this country for present and for future generations. We have an opportunity to do that with this particular resolution and with the amendments which will follow. This can be done either in December or at subsequent meetings to be held in this chamber and at meetings between first ministers.

It is my considered opinion that the action Parliament is taking now—because this is not a government action per se, the government takes initiative and shows leadership but this will be a Canadian parliamentary decision—is ambitious, appropriate and most assuredly necessary. We have an opportunity to break the log jam of constitutional debate.

In the short time that I have been here, almost 12 years, I was surprised to learn of the number of meetings the Minister of Justice was able to cite today as having taken place with respect to constitutional debate. As I said earlier, the concern is not that we talk too little on this particular subject but that we may have talked too much about it. I heard the hon. member for Provencher nit-picking, if you will, the amending formula. We have tried several procedures. We had one named after the Hon. Davie Fulton when he was minister of justice. It was called the Fulton formula. Later came the Hon. Guy Favreau, who filled the same portfolio and endeavoured to come up with a formula that would be acceptable. Then we heard about the Fulton-Favreau formula. We have heard about the Victoria and the Vancouver formulae. We have heard about all kinds of formulae. Every one was delinquent in one fashion or another. No amending formula will please everyone. Therefore, a decision has to be taken. This particular suggestion made by the government is not unilaterally imposed by the government on the provinces.

Mr. Malone: It is, too!

Mr. Cullen: We indicate that for two years it will be unanimous consent by all provinces and the federal government. We set a deadline, in other words a time-frame within which we can come up with an amending formula with which surely eight out of ten provinces can agree. If they cannot, there is provision for dealing with it. But at long last we have indicated that the time has come when we must have an amending formula so that we can get on with the business of creating a Canadian constitution made in Canada.

Some hon. Members: Hear, hear!

Mr. Cullen: I believe that every member of this House would have preferred some form of consensus to have come out of the first ministers' meeting so that we would be going to Westminster with a view, a consensus, acceptable to the provinces and to the federal government. Every possible effort was made by the federal government and by the provinces to arrive at a consensus. But it became evident, surely it became patently obvious, that such a consensus could not be reached. What is the alternative. The status quo was unthinkable. Surely we made a promise to the people of Quebec, when they voted in the referendum overwhelmingly in favour of Canada, that we would do something? The status quo was obviously unacceptable. Some change has to be made. We could not arrive at a consensus. The federal government took its initiative and said unilaterally that it would move to patriate the constitution, to take the action necessary to put things into this constitution and bring about an amending formula. We will not impose it, but we indicate that an amending formula is necessary, and that these are the steps by which it must be reached.

To suggest the federal government was less than honest in its presentation or that it was not prepared to negotiate or not prepared to make concessions is not in accordance with the truth. Consider the fact that we were prepared to make concessions at the federal level on family law and, on indirect taxation of resources, which the Supreme Court of Canada determined was ultra vires to the provinces—but with which we were prepared to go along. We were prepared to give more powers in interprovincial trade and resources. We were prepared to give new provincial powers in fisheries.

When we talk about consensus, Mr. Speaker, consider the dilemma of the federal government. The province of Newfoundland says it wants total control over fisheries, inland and offshore. The other Atlantic provinces say no, that they are quite content to deal with the inshore fisheries but they want the federal government to take care of the offshore. When you cannot get a consensus among provinces which are as vitally concerned in the fisheries as they are, certainly in Atlantic Canada, surely the time comes for the federal government to take some initiative and say that it will resolve this particular problem? We were prepared to give greater jurisdiction in so

far as fisheries were concerned. We were prepared to say that they would have a greater share in revenue and management of offshore resources.

I heard the Premier of Newfoundland say this was not good enough. I heard him say he wanted it all. As it turns out, he wanted to make everybody in Newfoundland fabulously wealthy. No matter what amount of money was derived as a result of finding these resources on the offshore of Canada, they were going to be for the single benefit of the province of Newfoundland. No person representing all of Canada, and certainly no parliamentarian should be prepared to go along with that issue and say he is doing a job for all Canadians. We did say we would give them 100 per cent of the revenue from those resources until such time as they became a rich province. Surely after that a decision has to be made about the distribution of wealth found on the offshore of Canada.

● (2120)

Shortly before I came to this House, Alberta had an oil find. It was involved in production and could not find a market for its resource. It had to charge higher than world prices in order to get the resource developed. People in Ontario and other parts of Canada, divided by a particular line, said they were prepared to pay more than world prices in order to help develop this particular resource. That was appropriate.

Canadians from other provinces made that contribution so that Alberta could evolve and develop its oil industry. Now the province has done so. It is a very rich province with a significant Heritage Fund. I do not begrudge that. However, Alberta should not be saying to petrochemical industries that in the future if they want to establish in Canada, they must establish in Alberta, because that is where all of the oil is, and unless they establish there they are not going to get any help. More than that it should not tell a very strong, viable petrochemical industry in southwestern Ontario that it will not be considered a traditional purchaser and that if it wants to get oil, it will have to get it from certain particular groups without any guarantee of security of supply.

So far, the petrochemical industry has been able to get the oil that it requires. In the event of a shortage though, Petrosar will surely have a very difficult time convincing its suppliers that there should be a sharing of that short resource.

I am very apprehensive about the legislation passed in Alberta. If I may indicate a personal opinion, I think that piece of legislation is ultra vires. However, nobody is making any noises about that. We are taking what the hon. member for Provencher (Mr. Epp) talked about, the Canadian way. We are trying to work out an accommodation. We are trying to make it work so that it will work to the benefit of Alberta and, certainly, to the benefit of the petrochemical industry in southwestern Ontario.

When the time came to build a world-scale plant, when the petrochemical industry was in difficulty in Canada in 1968-69, the then minister of industry, trade and commerce, now Minister of Transport (Mr. Pepin), suggested the formation of a joint government-industry committee to determine what were the problems. He wanted to forget about name-calling and placing blame. He wanted to find out how to save the petrochemical industry in Canada.

Government and industry got together and said they needed economies of scale and world scale plants. Canada could not support five or six world-scale plants, so it was decided to build them in a progression. The first one, based on an economic decision made by the industry, was to be built in Ontario, the second in Alberta and the third in the Montreal region. Staging along these lines is in fact taking place at the present time and it is beneficial to the petrochemical industry. We were not selfish. We were all working together to make a strong petrochemical industry for Canada. That is the kind of responsibility a federal government has when dealing with the provinces. We must, as a federal government, take our responsibilities.

At that bargaining table we talked about greater jurisdiction in communications for the provinces. We talked about enshrining equalization payments to the provinces. Surely this is absolutely essential and no one could object to that move. We offered to give the provinces a greater role in the appointment of judges to the Supreme Court and a greater provincial role in the upper chamber. There was an attempt to negotiate, to accept a responsibility to speak for all Canadians, to accept that the provinces had some concerns as well and should have more power and more say in those areas.

When I read the statement which has been made about the constitution and the areas we are asking the British Parliament, if you will, to incorporate into the constitution, I asked myself who could, in all sincerity, object to the items which are to be incorporated. The hon. member for Provencher said we should have brought back the British North America Act, solely patriate it, not have an amending formula and not incorporate anything. That is a legitimate point of view. I do not agree with it, but it is a point of view that he has. I believe it makes more sense to patriate the constitution, to have an amending formula so that we can do something, and surely no one in Canada can in all conscience object to those things we are talking about incorporating. We are suggesting these items:

For the first time, the basic rights and freedoms of Canadians will be entrenched in a Canadian charter of rights and freedoms so that they cannot be infringed upon by any single government, legislature, or Parliament. Individuals and minorities who feel aggrieved will have recourse to the courts.

Who can object to that being incorporated? It is not as though we were making some power grab. This is to protect people.

In the charter, Canadians will be assured of the freedom to move across the country, take up residence, and pursue employment in any province.

We do not have that now.

The charter will guarantee that citizens of the English or French language minority in a province have the right to educate their children in that language wherever numbers warrant.

Surely that is a reasonable approach to the right to education which every Canadian should expect. It is not imposing. The language indicates "where numbers warrant". If I may

speak personally, I would have gone further than that, but in the interests of compromise, those words are incorporated at the end.

The principle of equalization which is with us at the present time is being enshrined in the constitution. Who can really object to that?

An amending procedure will ensure that all changes to the constitution can be made in Canada.

For the life of me, I cannot understand how anyone in opposition can seriously object to the incorporation of those items I have just listed. Nor, frankly, can I see the problem with the amending formula when we have had so much difficulty over the years. Here at least there are some guidelines. If we can improve upon it, let's do that. But for heaven's sake, let us get an amending formula which makes it possible to have a constitution that lives and gives some direction to this country.

Some hon. Members: Hear, hear!

Mr. Cullen: I wince a little when I hear—and I have heard the Prime Minister (Mr. Trudeau) say it on one or more occasions that we have to remove the last vestige of colonialism. Some people have taken that as a rap against the British. I think the rap is really against Canadians when that statement is made, and well it should be. It has taken us an unconscionably long period of time to come of age, to say that we can come up with an amending formula and declare what we want in our constitution.

If I may interject a personal note, my father came from Somerset in Great Britain. He taught me about Britain. Instead of telling me gory stories and hero stories, I heard about England. The brainwashing got through. When I was 17 years of age, I participated in a public speaking forum. The topic of my speech was how Britain saved the world in 1940. I know of the parliamentary system the British have given to us. They have given us the idea and sense of fair play. I think of the accommodation, the politeness and the way in which the British conduct themselves. They have been calm in times of great trouble, particularly during World War II. We saw their reaction. We have much to learn from our British heritage.

Four days after the 1968 election my father passed away. At that time we had our new Canadian flag. My father had lived in this country since coming from England in 1924. He was proud of the fact that he was living here in Canada and that Canada gave to him a great living. When I buried him, I placed the Union Jack on his coffin because I felt that was appropriate. The poet said it better than I: "There is some corner of a foreign field that is forever England". That was all right for my father and his generation. I am a Canadian and I am proud of it. I do not feel the least bit concerned about the suggestion that the Brits are trying to impose colonialism on us. I believe it is a fact that because we are not prepared to grow up, not prepared to set deadlines and not prepared to make decisions we remain colonialists. The Brits are not trying to keep us that way. We are being kept that way because of our own shyness, quietness, nervousness and apprehension. Perhaps it is because of our time-consuming debates that really do not amount to anything. It should be said to us as Canadians that surely it is time we stood on our own two feet, make decisions and amend the bloody formula. I am sorry, "bloody" is swearing. My father taught me that.

● (2130)

Some hon. Members: Hear, hear!

An hon. Member: That's a good navy word.

Mr. Cullen: We have come of age and we have an opportunity to prove that during this debate. I do not know whether we will see non-partisanship. I do not ever expect to see that in this chamber. I hope that never occurs. I would hope that opposition parties and the government party will put forward positive suggestions. If the amending formula is not good do not knock it for the sake of knocking it, but come up with something better. I would bet that we could find ways to attack those suggestions publicly as well, but let us come up with some positive ideas. Let us not underestimate the intelligence of Canadians. This country is not going to split up because we have a debate in the House of Commons, or for that matter in the media or on any platform. This country can stand on its own two feet, and I am satisfied it can take a little bit of honest disagreement and difference of opinion. I am not afraid of deadlines and I am not afraid of making decisions. I do not think Canadians in the country are concerned about this debate. Give us a chance and let us get this legislation through bringing that constitution to Canada where it belongs. Let us make the changes here in Canada as Canadians for Canadians. Thank you, Mr. Speaker.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, it is difficult to respond to the personal references the hon. member for Sarnia (Mr. Cullen) has made to the way he feels about Canada. Many of us, if not all, have the same personal sentiments as those expressed tonight by that hon. member. I think, though, we must go beyond personal considerations.

The hon. member suggested it is time we got over being quiet, nervous and apprehensive about constitutional change. Let me assure the hon. member that the people in the area of western Canada from which I come are not nervous, apprehensive or quiet. We are rather loud, confident and sure about the kind of Canada we want, and I must say I resent very much the hon. member's suggestion. The same sort of suggestion was made in respect of those who expressed opposition at the beginning of the flag debate in 1965.

Let me assure hon. members that I oppose what the Prime Minister (Mr. Trudeau) is attempting to do and that I will continue to oppose it with every ounce of strength I can muster in this House.

An hon. Member: You oppose everything.

Some hon. Members: Oh, oh!

Mr. Roche: I do not oppose everything. Hon. members in this House who know me will know that during the eight years

I have stood in this House I have not been an opposing member. However, I do oppose what the Prime Minister is attempting to do in this debate.

The resolution before us is in essence unconstitutional because it goes directly against the principle of federation. It goes directly against the kind of Canada we inherited and want to leave to our children. It goes directly against the kind of Canada which was formed through a union of the provinces with a centre. It goes directly against the kind of Canada which we recognize as something other than a unitary state.

The proposed resolution goes directly against the regional diversity of this country and I want to say a few things about that diversity during my remarks, particularly as it applies to our international commitments today.

The kind of Canada I inherited and the kind of Canada I want to leave to my children is a Canada that will not be totally changed, as it will by the application of proposed section 42 in the resolution before us. That proposal would permit amendments to our constitution as a result of a binding referendum. In this way provincial governments would be completely bypassed. As my leader pointed out today, this is proposed because the Prime Minister knows he cannot get the agreement of the provinces, so he is making this last-ditch stand, going to Westminster to get these amendments. It would be funny if it was not so sad. He wants to go to Westminster to obtain these substantive amendments to our constitution.

I venture to suggest that every member of this House wants the constitution brought to Canada, or patriation on the basis of a unanimity formula. There is no dispute about that. What we oppose is having Westminster charged with making substantive amendments. These are not just casual amendments but amendments that would virtually change the character of this country. We are being asked in the name of the flag to support this idea.

I may come into this House as a western member, and I do so proudly. I will say a few things about that in a moment. However, I have spoken and I have voted in this House for eight years as a national member and as a member supporting the whole country. I do not bring into this House a mere regional representation. I lived outside this country for ten years. As the late Lester Pearson used to say, and he was a friend of many of us here, sometimes the way to understand the country better and the way to be a better Canadian is to live outside the country and see it from afar. I have done that, sir. I do not claim I have a better understanding of Canada than other members of the House. I am only suggesting that we have to summon up in this debate the strength that is within us with an insight and an understanding that transcends our regions, backgrounds, politics and personalities. We must ask ourselves a fundamental question. I hope members on the other side of this House will also ask themselves this question. The fundamental question is; when you look at the totality of the legislation before us is it right or wrong for Canada? I submit, sir, that it is wrong for Canada. I am sure we are going to hear a lot about the charter of rights. We heard about that yesterday afternoon on "Cross-Canada Check-up". It seems clear that those of us who oppose this resolution are on the wrong side of this issue politically. I do not worry about standing here in opposition on this issue, even though I acknowledge that the perception today in Canada is that we are on the wrong side. It is put forward that because the people of Canada are to get a charter of rights that should be enough to persuade us to vote in favour of it. It has been said we are going to receive equalization and a charter of rights, but I do not believe the people of Canada have yet had an opportunity to examine fully what this resolution will do for Canada.

• (2140)

I hope our party—and I invite other members of other parties in this House to do so—will seriously reflect and debate it fully. I hope there will not just be a casual two or three-day debate. I hope it will be fully debated so that the people of Canada get the message of what we are trying to say, which is in essence that even though this resolution may have some factors and features in it which appear to be attractive, the fullness of it will destroy the Canada we know.

I put that to the House at this major moment in the history of our country. I do not think there is a debate—certainly not very many in my time here—which matches this one in intensity with regard to the direction of the future of our country and in importance.

I have said that when this resolution is considered in its fullness one comes to the conclusion that it does go directly against the principles of federation, and clause 42, among others, is the centrepiece of that objection. It is a unilateral action, which is enough to discount it right away. It would bring in amendments directly affecting provincial rights, particularly in education.

Some might say that is all right, but it would provide, as I have said, the possibility, indeed, even the probability, of amendments by referendum in which the provinces are bypassed. That is a different kind of country. If we are going to have that as the basis of our federation, then let the Prime Minister bring the constitution to Canada, let us debate it here, and let the provinces have an input. Let us have a constituent assembly. Let us have a formal structure in Canada to make such decisions and not run it through by a so-called joint address from the Senate and the House of Commons as an expression of the will of the people of Canada, for it will not be. It will be fraudulent, and I hope the people for whom I have great respect in Westminster are listening. I hope the people in the other place who will be under attack by the fullness of this resolution will give consideration to these factors.

I want to move now to what I consider to be an even greater evil in this resolution and explain why it deserves to be attacked on the principle of being wrong. It will certainly promote divisiveness in our country.

I return here to my role as a western member. Those western members who will be joining this debate will reflect the feeling of alienation which is building quickly in western

Canada today. There is a group called the West Fed—Western Federation. As a matter of fact, three or four nights ago the federation met in Red Deer. Five hundred people came out to its meeting. West Fed would have the four western provinces secede and form their own union and, in effect, their own country. There are many people in western Canada who today are disposed to join such an organization. I know what I am talking about. The man who runs Western Federation is a man who opposed me for the nomination for the Edmonton South Progressive Conservative nomination for this past election which I had the honour to win. I beat him in the last nomination meeting, and I will beat him in the next nomination meeting. I will run against him. I am not afraid of him, and I am not afraid of Western Federation, but it is the Liberal government and whose actions are fomenting the membership of Western Federation which is a threat to western Canada today.

There is divisiveness in our nation, and I feel badly about it because of the nature of our country. We have technology, space, resources and everything which is needed for a successful country in the world today. In my work for my party I have travelled around the world, and I have seen many countries. I have seen countries which do not have one-tenth of the potential this country has to be successful, yet we are hung up on divisiveness, internal wrangling and these things which sap our energy. Why? Is it because our constitution is bad? Our constitution, the BNA Act, has served us for 113 years and has built this country. I checked with my secretaries in Edmonton today, and no one is calling me and telling me we have to get the constitution changed. What they are saying is that they want an energy agreement. I have received much mail and many calls on that. We need an energy agreement, and we need to get the economic situation of our country turned around. We have to address these matters seriously. No one thinks there is any magic button. I do not care who is in office; no party has a magic button to make the energy and economic situations better, but there is a sense of priorities. Those priorities are energy and the economic issues. I am proud to say that when my friend, the Leader of the Opposition (Mr. Clark), was Prime Minister, he addressed those two central questions, which affect the lives of every Canadian, in a meaningful way.

What will the patriated constitution do? Will it produce an ounce of oil or create one job? It certainly will not. What it will do is enlarge the smokescreen for the Prime Minister, who has been unable to solve the problems which really affect our country, and make it look as if we are doing something good because we will have a charter of human rights.

There are two perceptions of this country. I hope hon. members opposite are listening to my two perceptions. They are not new, but I feel intensely that there is a perception that is best reflected in the conduct, the words and the attitude of the Prime Minister. I would not push it too far, but he says that it is the centre which really has the answers and which should have the power to send down into the various regions those things which we—whoever "we" are in Ottawa—decide ought to be sent. It is the centralist view of Canada.

Opposed to that there is a regional, community view. Our country is 4,000 miles wide; there are five time zones and three oceans. This country has a lot of diversity. My friend, the right hon. member for Yellowhead best reflected what it is today that makes our country. It is a sense of national unity which comes up from the regions, rather than being imposed.

This is really a high level debate we have entered into because what we are arguing is not just the resolution and not just clause 42, central though it is to our debate. We are discussing what kind of view of Canada will prevail. We have seen this come out in economic issues before, and we have certainly seen it in the energy issues. Now we are seeing it perforce in the constitutional issue, and if we who are opposing this measure lose, and that constitution is brought home, we are going to see a different kind of Canada. It will mean that hon. members opposite have prevailed. I do not think the people of Canada want that. That is why the people of Canada need to know what is happening in this chamber. They need to know what this debate is all about. I hope the media will fully reflect that. I think somebody said earlier today that the media is being somewhat superficial in this. That was not a criticism of the media. It was a question of whether the media will be swept away by the seeming fulminations in favour of a better Canada brought about by this resolution while failing to dig into how the character of our country will be changed.

Now let me get to the charter of rights. This is supposed to be very attractive, as we heard yesterday, and as I am sure we will hear in the course of this debate.

There is a central point to make about a charter of rights. A charter of rights is meaningless if the intention of the government is not to endorse it fully. To sell a charter of rights and to entrench it is something which will automatically make our lives better: try to tell that to the people of the Soviet Union. Try to tell that to the people of many countries. I think what is important is for us in this country to have human rights commissions, as we do at the federal and provincial levels, which protect the rights of people. I believe it is important for us to have the bill of rights.

● (2150)

I believe it is important for us to move eventually to an entrenchment. I am not speaking against entrenchment; I am only saying that to put up a smokescreen in this whole debate and to say that entrenchment is so valuable that it can override section 42 is to mislead the Canadian people and to take them down a path on which they do not even know they are going right now.

Some hon. Members: Hear, hear!

Mr. Roche: Now we come to the international application of the charter of rights. I hear it said that we must have this entrenchment because it will be better for us at the United Nations. We have the Helsinki review coming up at the

Madrid conference. I say to you, Mr. Speaker, that entrenching our rights will not do one iota for Canada in enhancing human rights around the world through the Madrid conference. Canada already is a signatory to the human rights conventions of the United Nations. It is a smokescreen to be told that this is a necessary factor, either domestically or internationally today.

I believe we must centre on what this debate is all about. It is about the character of Canada. If we who feel deeply about the divergent strengths and the regional strengths of our country if we lie down and let this thing roll over us, we will not be responding to our duty. I say there will be those who will ask one day where were the members of Parliament when this fundamental change was made in our country. There are many members, I think, who will want to stand up and give an expression of their deep commitment, whether they come from the western area, from the Atlantic region or from Quebec or Ontario, who understand that it is all of us together who make up our country.

There are many other aspects to which I would like to go on, but I do not know whether or not you will give me any more time, Mr. Speaker. I say that this is a fraudulent measure. I would not feel I am making a complete statement if I did not give you a few more words on this, Mr. Speaker. Somebody has said that section 7 does not deal with the native rights. I say it does not deal with many human rights. Section 7 states that everyone has the right to life except in accordance with the principles of fundamental justice. I would like to know how that accords with the Criminal Code amendment passed in 1969 which led to the abortion situation in our country today where 60,000 abortions are taking place in the name of so-called justice.

Some hon. Members: Hear, hear!

Mr. Roche: I would like to know how that accords with that amendment. This government, which has been in power throughout the 1970s, without ever addressing itself seriously to the question of what is happening to abortion today, has the gall and the nerve to come to the House and say that everyone has the right to life. Everyone does not have the right to life in this country as a result of the Criminal Code amendment. Let the government clean up its own house first before it gives us nice language that is supposed to make us feel good.

That is just one aspect of how I feel about the essence of this resolution. I believe it should be opposed, not opposed in a mindless or vacuous way but opposed because we ask Canadians to seriously consider that what is being done through this resolution will affect their country and the country of their children in ways of which they never dreamed, ways which will change this country from the manner in which it was built up by a formulation of regional strength into an overly centrally dominated institution, absolutely incompatible, we feel, with how the Fathers of Confederation viewed our country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jean Lapierre (Shefford): Mr. Speaker, it gives me great pleasure to participate in this historic debate. It is indeed a great day for all Canadians and more particularly for French Canadians. I do not share at all the great sadness or the apparent sadness of the Right Hon. Leader of the Opposition (Mr. Clark). Today he nearly had us crying at the end of his speech, and in fact I might have cried out of disappointment at hearing him, a man who said he was a new leader with new ideas; I had the impression that it was politics like was being carried out in the 1930s when there was no real desire for change. The leader of the party that calls itself Progressive Conservative should certainly take a look at the name of his party and have the word progressive struck out forever because I believe that in the interventions we heard on that side of the House there was absolutely nothing progressive—on the contrary, it was very regressive.

Mr. Speaker, during the referendum campaign I was very active with my fellow citizens, and during the whole course of the summer I followed very attentively all the implications of the constitutional conference, and like many other Canadians, I was disappointed that it failed. I was disappointed for several reasons because I thought at a certain time our present structure might enable us to achieve a renewed federalism. Unfortunately, the circumstances being as they were, we had to act. I would like to remind you that we made a commitment during the referendum, and in the past few days several politicians, especially the Right Hon. Leader of the Opposition, have been trying to give an entirely different meaning to our commitment by saying or suggesting that we have deceived those who voted no. I personally voted no and I am not at all disappointed by the proposed resolution that was tabled. When it is suggested that we mislead Quebeckers, that we do not keep our commitments, I would like to remind all our detractors that the only true commitment we made was, and I quote from a speech by the Right Hon. Prime Minister (Mr. Trudeau) at the Paul Sauvé arena on May 14, 1980, when he said:

> And I know, because I talked to those members this morning, I know I can make the most solemn commitment that following a No vote we would immediately put in motion the mechanism for constitutional renewal, and we will not stop before that is done.

That is what the Right Hon. Prime Minister said at the time of the referendum. That is still the position we stand by today, and the government is certainly prepared to reaffirm to all Quebeckers and all other Canadians that we will not stop before that is done. And now I think that all people acknowledge the need for action. The only issue is the means to achieve this objective. Some would prefer a constituent assembly. If they think that with such an assembly things will go faster, I wish them good luck. Others would rather hold additional constitutional conferences. Before I got involved in this kind of debate I somestimes heard politicians call these conferences "circumferences". I think that in the past few years

we have witnessed several such circumferences and time has come for the federal government to show leadership in this matter. I think we enjoy public confidence. We enjoyed it at the last election and we have it again in this endeavour.

Earlier I heard the member who spoke before me say that he was afraid of ending up with a different Canada. If he has come to sit here to let things remain as they are, it is fortunate he belongs to the Progressive Conservative Party because what we precisely want, and it is also why I have come to Ottawa, is to change Canada. I think that some members opposite fear change. It is only the beginning of their surprise because we are committed to making those changes and we will keep on doing so and I hope that following this procedure other changes will take place.

Mr. Speaker, I also read the articles published in newspapers in the wake of the various reactions to our project and the Premier of Quebec went short of calling us traitors. Frankly, I am wondering who is the real traitor with regard to the interests of French Canadians.

An hon. Member: And Canadians!

Mr. Lapierre: And Canadians. French Canadians are part of Canada.

I believe that the real traitor in this debate is certainly the Premier of Quebec who hides behind the smokescreen of collective rights to ignore all improvements made to individual rights. We know that his policy was not intended to serve the individual interests and rights of Quebeckers, but we believe that Canada and Canadians have certain rights to gain and we are ready to go ahead. That process might require more intestinal fortitude but we are ready to take part in all discussions and I think that the debate that will be going on in the next days in this House will demonstrate our determination to act to the opposition and particularly to the Progressive Conservatives who are the greatest reactionaries.

I read in the paper that the Leader of the Official Opposition said that this proposal did not meet the expectations of those who voted no. Beware. I urge him to visit the province of Quebec and meet some people and as evidenced by polls and as he recognized himself in his press conference, he will see that his position did not reflect the opinion of the majority or the consensus of Canadians.

An hon. Member: He never visits the province of Quebec.

Mr. Lapierre: May I call it ten o'clock?

• (2200)

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, I rise on a point of order. If I can have the attention of the government House leader, I assume from various public statements which have been made that we will be continuing with this debate tomorrow. I wonder if he might confirm that and give an indication of the business of the House for the remainder of the week.

[*Translation*]

Mr. Pinard: Mr. Speaker, we are going to proceed with this motion to refer the resolution to the committee tomorrow, Wednesday if necessary, Thursday if absolutely necessary, and Friday. I suggest that next Tuesday be an allotted opposition day but I wish to consult further my colleagues the leaders of the two opposition parties in the House to confirm that next Tuesday might be an allotted opposition day. Otherwise it might be this Friday but I prefer to have further consultation. In the meantime, we propose to continue the debate on this motion but if that debate should end before Friday, we would proceed with other bills on the order paper. We have about 30 of them and we hope to be able to clear the order paper as soon as possible.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—ASSISTANCE FOR HOME OWNERS ADVERSELY AFFECTED BY RISING MORTGAGE INTEREST RATES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I rise in connection with a question which I asked the Prime Minister (Mr. Trudeau) on April 21 about assistance to home owners, renters and those suffering from high interest rates in Canada.

Let me tell the House that the constitution and amending the constitution will not help one of those home owners, one of those renters. Not one person suffering from high interest rates today when the bank rate is 13 per cent will be helped by all this talk about amending the constitution. Not one hungry person will get a meal from it. Not one person will be employed by it. Not one person will be saved from the high costs of inflation by all of this talk on the other side about the constitution. They are wasting the time of the House and the people of this country when they talk about the constitution, when the economy is a shambles and when they have turned their backs on every promise they made in the last year.

Now to come back to housing and interest rates, what kind of promises were made there? In *Hansard* on November 6, 1979, the present Minister of Industry, Trade and Commerce (Mr. Gray) is recorded as saying:

—it is right and necessary for Liberals to take a new approach and a new look at interest rate policy.

Well, the new look was a pretty quick look. They have done nothing on it. Also on November 6 he said that he wanted—

—action taken now to prevent the hardship this Conservative high interest rate policy is creating for millions of Canadians and their families.

Interest rates today are 13 per cent at the bank, and under this government they went up to 17.5 per cent—17.5 per cent under the policy of that government. When the government is asked when it will produce a policy to help home owners and renters, there is no answer. The Prime Minister does not answer. He gives some easy patter about the great Liberal principles of helping those who most need the help. Those who need the help now are the people who have had to take out mortgages and renew them at the present rates of 14 per cent or 15 per cent. The Liberal rates of interest are down slightly now from what they were a few months ago under the early leadership of the Minister of Finance (Mr. MacEachen), 17.5 per cent. We want to know when gentlemen opposite will bring in a great policy to help home owners and to help renters. It was the present Minister of Employment and Immigration (Mr. Axworthy) who all last fall opposed our mortgage interest and property tax deduction program which would have helped middle and lower-income Canadians who had homes or wanted to acquire them. He and gentlemen opposite fought that policy so that it never went through. They said they would bring in a tremendous shelter allowance program. I have the quotation here from the gentleman who was the housing critic at that time. He is now the Minister of Employment and Immigration. He is hiding in that portfolio. Here is what he said as resported in *Hansard* at page 1017 of last fall:

—if there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases.

What action is he and his government taking to help those people who are hurt by interest rate increases which now appear to be necessary because the government is now in power? What has happened to the government opposite that voted for a non-confidence motion and defeated our budget because it did not lower interest rates, it did not cut taxes and it did not stimulate the growth of the Canadian economy? Where are the honourable geniuses opposite, those chameleons, those people who think they are born to rule? When will they lower the interest rates? When will they cut the taxes? When will they stimulate the growth of the Canadian economy? We have a Minister of Finance who is the most silent minister of finance ever in our history—and he is the Minister of Finance who has the most to be silent about. He has a shameful record of seven months of complete inactivity in comparison to the finance critic who is now the Minister of Industry, Trade and Commerce (Mr. Gray). That gentleman was tremendously active in the fall of 1979 when he had such fantastic policies. He was so confident that he went on CTV on February 7, 1980. He was asked the question: "Would you lower interest rates?" He replied: "Yes I would". Question: "Would you be prepared to resign your seat if the government didn't carry through on that policy?" Herb Gray: "Yes, I would." That was February 7, 1980. What happened afterwards, Mr. Speaker? Interest rates went up. They were then 15 per cent, the prime bank rate. They went up to 15.75 per cent on March 13, then up to 17.5 per cent. And did the Minister of Industry, Trade and Commerce have the decency to resign? He did not. He went to Japan to tell the Japanese what he was going to do about the car imports from Japan. They wouldn't even let the Dash-7 Aircraft land at the airport in Tokyo. He was going to straighten out the auto pact. He went down to Washington and that is the last we have heard of the auto pact from the great honourable Herbie. Not another word on the auto pact. This was from the man who was going to force the interest rates down and save the home owner. He was like a vacuum cleaner gone berserk when he was finance critic. But we have heard nothing from him, Mr. Speaker. Not another word have we heard from him. And now the bank interest rate is up to 13 per cent again.

● (2205)

By the way, here is the housing critic, the promise to home owners, Mr. Axworthy:

The government could have started where the real problem lies and could have provided something for rental assistance.

That was November, 19, 1979 in the House of Commons. There was going to be help for all occupants. The great Liberal Party that is all heart was going to help not only home-owners, they were going to help the renters. Everybody in the country was going to get help from hon. gentlemen opposite—a shelter allowance. Now, they have been in power seven to eight months, Mr. Speaker. And they have not helped one home owner, they have not helped one tenant, they have not helped one renter, they have not helped one person who occupies a rathole. They do nothing to help anyone and they have now got a majority so we cannot get any answers from them.

It is useless to ask the Minister of Finance a question. He is what I call the Celtic oracle. He is the most silent oracle since the Delphic oracle. And now we hear he is to bring in a budget between October 15 and October 31. God help us.

An hon. Member: The twenty-first.

Mr. Crosbie: No, the thirty-first.

An hon. Member. It is the twenty-first. It is already set.

Mr. Crosbie: The minister of mines said the twenty-first.

Well, this is what the Minister of Industry, Trade and Commerce said in a recent speech to the chamber of commerce. Last year he had the solutions to everything. This year he warned the business executives they would be "unwise to expect too much too soon by way of economic recovery". Herbie out of power is going to solve the problems of the world in no time. Herbie in power says it would be unwise, gentle-

men, to expect too much too soon. Do not rush the government. We have a majority after all. He says "circumstances permit no magical fiscal solutions to the cyclical economic downturn" such as a stimulative budget. No longer can we expect any solutions from his government. Uncle Herbie is in power. Now what he says is that circumstances permit no magical fiscal solutions to the cyclical economic downturn. Cyclical? It's sickacle, s-i-c-k-a-c-l-e, that's what it is, this picture of hypocrisy, rank, stinking hypocrisy, Mr. Speaker. I do not like to use strong language but in this case I cannot avoid it. He went on to say this:

Double-digit inflation threatens to plague Canadians for some time to come—

Well, isn't that nice news to give the chamber of commerce? He is not too worried about it.

● (2210)

He says that double-digit inflation threatens to plague us for some time to come. He says, "Don't worry about it, we Liberals are in power, don't worry about double-digit inflation, after all it is worth it to have us back. You can have a sense of confidence now that we are here looking after your energy problems. We are going to crush Alberta and British Columbia. We are going to gut confederation. We are going to end this federation. We are going to impose our own solutions about the constitution."

He says, "Don't worry about inflation, don't worry about high interest rates, don't worry about the fact you are unemployed, don't worry about the fact that you are starving half to death, because after all we are fixing the BNA Act. We are going to repatriate that from Westminster. We are going to bring it over and put it up in the Peace Tower, and everybody can feel that much happier because Canada will work that much better by the time we get this back. We think that we can keep this fuss going for another year. We are going to extend our honeymoon. We usually only have a honeymoon for five or six months but we are going to extend it for a year and a half because everybody in Canada is so thrilled with this move we are making to repatriate the unrepatriatable—the constitution, the BNA Act or whatever it is."

He says, "on the way we are going to ask the British parliament to do the job we can't do here. Us old colonialists are going to ask Aunt Maggie Thatcher". She is the only hope for the government opposite, and she is a Tory. The government opposite must go on its knees to Aunt Maggie Thatcher and ask her to amend the Canadian constitution without the consent of the provinces."

I am a bit off my topic, Mr. Speaker, so I had better sit down and end by saying that it is a most unsatisfactory situation.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, I was under the impression after reading the orders of the day that the hon. member who just sat down would be dealing with a question about housing. As he indicated, he has strayed somewhat. However, I have prepared a response to that question which was asked of the Prime Minister (Mr. Trudeau) in my absence earlier.

I would like to respond and preface my remarks by saying that I will give some examples of how this government has acted to help the people who most needed help in the situation to which the hon. member opposite has referred, that of rising interest rates. I would like first of all to draw his attention to my announcement on March 26 which directed government action toward those people involved in the AHOP program.

The hon. member will be interested to know that between March 26 and July 31, 1980, 2,168 AHOP accounts were reviewed. Of these only 55 required extension assistance under that program, notwithstanding the dire plight which the hon. member has painted. This support was made available to reduce borrowers' payment of principal, interest and taxes to 30 per cent of their income where possible. The benchmark of 30 per cent of income should be directed toward meeting those shelter costs. This benchmark is used widely in the industry and it refers to the amount which people as a rule should be paying toward those costs in an average budget.

AHOP borrowers who renewed their mortgages before that announcement, which is the question that was initially asked of the Prime Minister, were also considered as candidates for assistance. I say that because those AHOP mortgages renewed before March 26 were direct CMHC mortgages. They were not indirect mortgages which the corporation secured under the insurance program of private borrowers.

For the people in this category a program was made available to reduce the interest rate to 8 per cent. The gross debt service in all cases was reduced to 30 per cent. For this reason there was no necessity to make the program retroactive—interestingly enough, this was the question that was asked of the Prime Minister initially.

The hon. member has expressed concern about support for lower-income Canadians. He said that nothing, but nothing, had been done to assist those Canadians. Mr. Speaker, this government shares his concern for those Canadians.

● (2215)

That is why I was pleased to announce in June an increase of 5,000 social housing units which are allocated across the country. Some of them are in St. John's, Newfoundland which benefited by this allocation. I would say the facts are there to support the government's action.

In terms of what is happening in the industry, I am pleased to indicate that the starts in September show that the seasonally adjusted annual rate has rebounded to 166,500. This is a welcome increase over the experience of the past six months where the range has been anywhere from a low of 125,000 in June to 145,000, increasing in July and August.

This activity introduces some sign of recovery in the industry. With that recovery the pressure for accommodation and the pressures that spill over to other areas should be somewhat moderated. I am hopeful that it is a trend for the future.

ENERGY—DEVELOPMENT OF TAR SANDS AND HEAVY OIL RESOURCES

Mr. Jack Shields (Athabasca): Mr. Speaker, on April 24 I posed a question to the Minister of Energy, Mines and Resources (Mr. Lalonde). I asked if he had taken into consideration the cost to the Canadian economy of a minimum of a one-year delay in the Alsands project in northeastern Alberta. He replied that he was not causing the delay and had not taken it into consideration. He indicated that this was Alberta's delay. Because Alberta had given the approval, he said, it was up to Alberta to take action.

I take exception to this, Mr. Speaker, because I think it is a total misrepresentation of what actually happened during the negotiations.

Mr. Menzel, chairman of the Alsands project, announced the cancellation of a $50 million Winter Works program for this year. He also indicated that they were prepared to cancel the 1981 budget allocated for next year and that by January 1, 1981, they would be ready to shelve the program if the sunset clause comes into effect, and partners in the Alsands consortium withdraw. If any of them pull out, the project will be cancelled. He gives the reason as the lack of an oil pricing agreement.

That does not mean that one province is holding it up, Mr. Speaker. It means that this government cannot make an agreement with Alberta. First, the government said that the price would be set unilaterally at $32 per barrel. The Alsands consortium, the Shell Oil group, said to the government, "Give us the world price. Tax us at the top. We cannot gamble $8 billion and put it in a hole in the ground, not knowing that we will get a return."

What kind of return are they asking for? The same, Mr. Speaker, as you would get if you invested in an apartment building anywhere in Canada or if you invested in a high office tower. That is the kind of return they are asking for.

The mechanism is in place for the federal government to impose a tax on excess profits and it has always been there. But the Minister of Energy, Mines and Resources went to Alberta last week, in a big show and offered $38 per barrel. The companies asked for world price, saying, "We are sinking $8 billion into the ground in northeastern Alberta to help with our energy supply."

A delay of one year would add $1 billion to the cost of the project, which is presently set at $7 billion. Officials of Imperial Oil told a House of Commons standing committee last week that the government's failure to reach a settlement on an oil pricing agreement meant they were ready to pull the plug on their project. That means $14 billion, which is ready and waiting to be invested in the future of our country.

As a result of the delay, inflation alone will add $1 billion to $1.2 billion to the cost of both plants. When one plant goes on stream in 1985-86 it will produce 130,000 barrels of oil per day and the other one will produce 140,000 barrels. The cost of 200,000 barrels of imported crude per day for a year, at today's price of $38 per barrel—assuming that is still the price in 1985-86—would be $2.8 billion. This is money going right out of the country to Venezuela, Mexico, Iraq and Iran. Canada's reserves from conventional crude are declining. This whole mess is moving beyond an economic situation. It is clearly a matter of our survival. It is not going to matter much what the price of oil offshore will be if we cannot buy it because it is not available. We have seen what can happen in the Middle East. We know what can happen with an unstable supply that can be cut off, and in a matter of six months we could go begging for oil.

● (2220)

Until the Alsands plant receives the green light, orders from Ontario for iron and steel will be sitting waiting to be placed, orders for metal fabrication will be sitting waiting to be placed and transportation equipment will be sitting waiting to be placed strictly on the go-ahead of this one plant, Alsands. This means an injection into the Ontario economy of $6.2 billion over the life of the project. That is a five-year injection, and that is one plant alone. For two plants one can double the figures.

There must be a fog prevailing on the government side of the House. It goes beyond normal bounds of reason that ministers opposite cannot sit down and work out an agreement to get those two megaprojects off the ground, particularly when our supply of energy is so crucial. In 1985 and in 1986 oil will be imported. Alberta and the producing provinces will not be able to meet the demand of Ontario, let alone of Quebec and the maritimes.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the government's commitment to the Alsands oil sands project and Imperial Oil's heavy oil project is clearly evidenced by the recent proposal of the Minister of Energy, Mines and Resources (Mr. Lalonde) for an incentive for oil sands production of $38 a barrel for 1981. This incentive price would be escalated annually by the consumer price index, with the provision that it not exceed the international oil price. This will provide the industry with both an attractive return and a new certainty in the further development of non-conventional oil projects. Our impression is that this approach will be welcomed by the industry. In fact, what we have offered appears to be what one of the potential participants seeks. This proposal is moreover in keeping with the government's promise to provide a new Canadian blended price which incorporates the cost of non-conventional and enhanced recovery methods of production.

The Alberta government, on the other hand, has not accepted this proposal and hence has caused the delay in the approval of these important projects. The federal proposals which were placed before the Alberta government were based upon the commitments which we, in this government, have given to the Canadian people. We are determined to achieve a resolution of oil pricing and revenue sharing in a manner consistent with those commitments and with our energy principles.

The government's promise to provide a fair price for Canada's energy was implicit in our announced intention to invoke the *force majeure* clause which revoked the agreement that international prices would automatically apply for oil sands and heavy oil development. When the original agreement was signed, international prices for oil were under $13 a barrel, not $38 a barrel, which is nearly a threefold increase. Much of this increase occurred over the last year due to the vagaries of the international marketplace. Canadians should not have to pay OPEC-related prices for Canadian oil.

● (2225)

I see that the hon. member who asked the question has left the chamber. It is evident that I have deflated him and refuted his argument. I will conclude by saying that the fundamental issue of oil pricing is whether prices will be set at levels which are fair and reflect supply conditions in Canada. Although oil sands projects will no longer be tied to international prices, they will be able to proceed with confidence on the basis of a price regime much more favourable than that applying to the traditional oil fields of western Canada. This intention is in full recognition of the fact that oil sands production is more costly than production from southern Alberta oil fields and therefore requires a more favourable price schedule.

The proposal which the federal government has made to Alberta represents what is a reasonable resolution of the issues which divide us. It is a generous but balanced package, which guarantees large and growing returns to the producing provinces, but is also consistent with federal energy policy. It is Alberta which has delayed and keeps the Alsands and the heavy oil projects from proceeding.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at two o'clock.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Tuesday, October 7, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CROSS-COUNTRY MARATHON OF TERRY FOX

STRIKING OF STAMP IN COMMEMORATION—MOTION UNDER S.O. 43

Mr. John Kushner (Calgary East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Terry Fox, through his "Marathon of Hope", has joined the ranks of our oustanding Canadian heroes in the fight against cancer. To those people suffering from this dreaded disease in Canada and all over the world, it is Terry Fox who has given them hope through his courage and determination. Most of us have lost someone dear to cancer, just as I lost my dad. Terry Fox has given special pride to Canadians and has touched the hearts of us all.

In recognition of Terry Fox and the "Marathon of Hope" in the fight against cancer, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House extend to Terry Fox hearty congratulations and thanks on behalf of all Canadians, and furthermore, that the government strike a suitable stamp to commemorate Terry Fox and the "Marathon of Hope".

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

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GOVERNMENT ADMINISTRATION

APPOINTMENT OF NEW MINISTER OF THE ENVIRONMENT—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Government of Canada has lacked a functioning Minister of the Environment for several months now as the nominal incumbent devotes all his time to constitutional matters, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House urge the Prime Minister to appoint a new Minister of the Environment who can be counted on to deal full time with Canada's serious environmental problems, such as acid rain.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

FULL-SCALE INQUIRY INTO REASON FOR POOR SERVICE—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the authority of Standing Order 43. Whereas the people of Alberta are completely disgusted with the way the Canada Post Office is operating, if indeed it can be called an operation; whereas people are paying dearly for damaged parcels and lost letters totalling thousands of dollars; whereas it takes days, from nine to 17 days, for a letter to go from Edmonton to Strathmore, with most of that time being consumed in the Calgary regional post office, and 21 days for a letter to go from Humboldt, Saskatchewan to Strathmore, Alberta—it only takes eight hours to drive this distance; whereas large companies are completely disgusted with the postal service and are using alternative methods of mail delivery, which hurts the smaller post offices which are doing a good job locally and denies the Post Office badly needed revenue; and whereas the postal service is now viewed by many Canadians as an inept, bungling department of national disgrace; therefore I move, seconded by the hon. member for Calgary East (Mr. Kushner):

That the House of Commons urge the government to conduct a full scale inquiry for the purpose of pinpointing the reasons for the poor postal service in Canada, ascertaining who or what is responsible for the damaged parcels and thefts, and recommending the changes necessary to restore to Canada reasonable postal service.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*Translation*]

LABOUR RELATIONS

REQUEST THAT PRINCIPLE OF INDEXATION AND MATERNITY LEAVE BE PROVIDED TO TRANSLATORS AND INTERPRETERS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the fact that the government has refused to negotiate in good faith with the translators and interpreters working for the federal public service by rejecting the recommendations of the conciliation board, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the House request the government to accept as soon as possible the recommendations of the conciliation board, including the principles of indexation and maternity leave.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

FINANCE

INTEREST RATES ON CANADA SAVINGS BONDS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. Because of its excess borrowing the Government of Canada is now paying 11.5 per cent on 90-day treasury bills and in excess of 12.25 per cent on 180-day treasury bills. The government's excess demand for money will continue to push interest rates in Canada higher and higher. The government has pegged the Canada Savings Bonds rate this year at 10.5 per cent.

In view of the fact Canada Savings Bonds are sold as having a good rate of return, as being an investment in Canada, and marketed as top quality securities to the ordinary people of Canada, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House do direct the Minister of Finance to pay to those holding Canada Savings Bonds an interest rate at least equal to the 90-day treasury rate paid to the big boys in the marketplace.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

DELISTING OF GOVERNMENT ELEVATORS—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact the Canadian government inland elevator at Moose Jaw has been delisted as a delivery point for rapeseed futures contracts; in view of the fact that this delisting would indicate an intention on the part of the government to shut down the facilities if the elevator is not sold, despite the fact the elevator has been operating at a profit; and in view of the fact that a shutdown of the facilities would affect approximately 50 employees and their families, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the Minister of Agriculture seriously consider relisting the elevator as a delivery point for rapeseed futures contracts and spending the necessary funds to rehabilitate the electrical system, in order that the elevator may continue to play an important part in the grain handling system in western Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

PLIGHT OF UNEMPLOYED CANADIANS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the lay-offs of working men and women at a rate of 1,000 per day makes a mockery of the fundamental principle that labour is not a commodity, and whereas the basic economic rights, living standards and futures of hundreds of thousands of Canadians are threatened by runaway employers and government neglect, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this government be condemned for its indifference to the plight of Canada's unemployed, for economic and social policies that promote unemployment and offer no protection to those laid off, and for failing to promote policies of full employment, decent pensions and employer obligation to Canada's employees.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

GOVERNMENT OF CANADA

PLEA BY PREMIER OF MANITOBA FOR VIGOROUS FEDERAL GOVERNMENT—MOTION UNDER S.O. 43

Mr. Gilbert Parent (Welland): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas an eminent Canadian, the Honourable Sterling Lyon, the Premier of Manitoba, last evening appeared on a CBC public affairs program, "The Watson Report", and whereas notwithstanding the barrage of questions this same Canadian was able to plead eloquently for a strong federal government, endowed with the necessary tools to deal with unemployment and inflation, I move, seconded by the hon. member for Restigouche (Mr. Harquail):

That this House applauds the Honourable Sterling Lyon, Premier of Manitoba, for his tardy but welcome endorsement for a vigorous federal government.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

● (1415)

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, this is a matter which, of course, allows debate in the House of Commons under Standing Order 43. While I would not want to delay unduly the proceedings of the House, I think I can say with absolute confidence and certainty, knowing the views of the Premier of Manitoba and sharing his confidence, that the Premier of Manitoba would not only want the Government of Canada to have the tools to deal with unemployment and inflation; he would want, as we on this side of the House of Commons want, this government to begin to use those tools to deal with inflation and to deal with unemployment in this country.

Some hon. Members: Hear, hear!

Mr. Clark: Indeed, Madam Speaker, we are convinced that the Premier of Manitoba, like the great majority of Canadians, is shocked and chagrined that to this point, some seven months into their mandate, the Government of Canada has not yet even introduced a budget.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. The right hon. member is right, this motion is debatable, but I am afraid that, in accordance with our Standing Orders, I must interrupt the debate at 2.15 for oral questions.

Some hon. Members: Oh, oh!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

CR CLERKS DISPUTE—ILLEGAL ACTIVITIES—GOVERNMENT POSITION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question will be to the Prime Minister and it touches on the strike activity that is now rampant in the country, with airports closed down, some reopening, and the Post Office disrupted. I note that the Public Service Alliance of Canada has asked that their workers designated essential to the safety and security of the country to return to work to perform the full scope of their duties. Would the Prime Minister indicate whether, with this welcome news as it is, any assurance was given to the Public Service Alliance of Canada that there would be no repercussions with respect to those that have acted illegally so far as a result of the various strike activities which have been taking place?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the answer with respect to the current negotiations, as I understand it, is that the matter is presently under discussion. No such assurance has been given.

INQUIRY WHETHER DISCIPLINARY ACTION TAKEN AGAINST FIREFIGHTERS

Hon. Sinclair Stevens (York-Peel): I am sorry to hear that something as significant as that is still being left as a matter of discussion, Madam Speaker. Let me direct my next question to the Minister of Transport. In view of the fact that eight firefighters at Malton and two or three firefighters at certain other airports have been able to shut down their respective airports, and in view of the fact that on September 30 the President of the Treasury Board indicated that departments had been instructed to take firm and consistent disciplinary action in the case of any employees engaging in illegal strike activity, would the Minister of Transport indicate what disciplinary action his department has taken against these firefighters who now claim they were only on a two-day coffee break?

● (1420)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we have taken this disciplinary action. We have tried to take a moderate approach so as not to aggravate the situation unnecessarily, but it has not been very fruitful. I am the first one to recognize that fact. The difficulty, as my friend knows from previous experience, is due to the number of issues at hand. When it is not reclassification, it is higher wages; and when it is not higher wages, it is a greater number of controllers and so on.

Mr. Baker (Nepean-Carleton): You are negotiating with your feet.

Mr. Pepin: We have taken disciplinary action and we will continue to do so. If we have to do more than what we have done, then we will do that also.

Mr. Stevens: Madam Speaker, would the Minister of Transport indicate specifically, though, what action he has taken?

Mr. Pepin: Madam Speaker, obviously, we deprive the controllers of their pay for the day on which they leave their jobs. We penalize them by imposing another day of suspension, we add a letter of reprimand to their file and that sort of thing. If they repeat the offence we escalate the combination.

Mr. Crosbie: You will take away their coffee.

Mr. Pepin: If they repeat the action the suspension goes from one day to three days. That is the normal practice.

INQUIRY AS TO STEPS TAKEN TO PROTECT NATIONAL INTEREST

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to direct a supplementary question to the Right Hon. Prime Minister. This morning a judge of the Federal Court described the situation by saying: "The existing situation is perilously close to anarchy".

There have been outbreaks of violence on the picket lines this morning both in St. John's, Newfoundland and in Ottawa. There are indications that the situation is growing more militant every day. My question to the Prime Minister—and I pose it in the aftermath of the bungling of the President of the Treasury Board—is: What steps is he taking on behalf of the government to protect the national interest and to ensure that Canadians have access to essential services?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Deputy Prime Minister just answered a moment ago, the negotiations are presently going on and I would not want to intervene in them.

INQUIRY AS TO STEPS TAKEN TO DELIVER PENSION CHEQUES

Hon. James A. McGrath (St. John's East): Madam Speaker, perhaps I could ask the Minister of National Health and Welfare a question in light of a statement made by the President of the Treasury Board in which he indicated that departments have been asked to prepare their own plans to ensure the maintenance of the highest level of service to the public. Given the chance that there will be a disruption in postal services, and there is already an indication that this is happening across the country, what steps is she taking presently or what contingency plan does she have to ensure that essential social service payments will get to the recipients in this country?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am pleased to assure all Canadians that so far we have every reason to believe that they will receive their cheques on time at home. Several families will receive their family allowances cheques about one week before the usual date which is in the third week of the month. The usual date is between the 18 and 21 of each month. The cheques for the Canada Pension Plan have almost been completely written. The cheques for the old age security pension as well as most adjustments are also under control. The mechanism for the delivery of the cheques is the responsibility of my colleague, the Minister of Supply and Services; to date we have no reason to alarm Canadians, and I think that as usual we shall have the co-operation of all people concerned.

[*English*]

CONTINGENCY PLANS FOR DELIVERY OF UIC CHEQUES

Hon. James A. McGrath (St. John's East): Madam Speaker, I pose a similar question to the Minister of Manpower and Immigration, who is responsible for the Unemployment Insurance Commission. In light of the present situation and the potential it has for disruption of mail services, what contingency plans has the minister taken to ensure that unemployment insurance cheques will be sent out to their recipients?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in most parts of the country there is a complete and continuing operation of the unemployment insurance program. There are some regions, however, where there have been disruptions in service which were primarily due to the absence of clerks who were designated to stay on and perform their duties. We certainly believe that the measures taken by the government will have a corrective influence on that situation. We hope to maintain as much of the service as possible, so long as those people who are supposed to work do their work.

* * *

● (1425)

HEALTH CARE

HALL REPORT—RECOMMENDATION RESPECTING EXTRA BILLING BY DOCTORS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. Former Justice Hall has rightly observed in the recently released "Health Services Review" that extra billing by doctors, if allowed to continue, will eventually destroy medicare and result in a two tier-system of health care in Canada.

Can the minister tell the House at this time when she intends to bring in legislation outlawing extra billing by doctors by revising the Medical Care Act to provide that extra billing by physicians inhibits reasonable access to services and is contrary to the intent and purpose of the Medical Care Act?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am tabling the Hall report later

today in the House; it was made public a month ago. Since that time we have had the federal-provincial meeting of health ministers at which I confirmed, and I would like to repeat it today, that I will explore that recommendation made by Mr. Justice Hall to the federal government. However, that recommendation includes also the concept of binding arbitration. Would the New Democratic Party make it clear if they are ready to accept, and is the government of Saskatchewan, for instance, ready to accept, binding arbitration as well as the ban on extra billing? That is only one of the problems with which we are faced today.

The purpose and objective that has always been ours is the strengthening of the medicare system of Canada for all Canadians. Right now I have chosen the route of consultation with all interested parties, because it is surely essential if we want to put together the very conflicting interests of the key health professionals as well as the provincial governments, who on that subject have totally diverse opinions.

Mr. Blaikie: Madam Speaker, may I say that I am not here as a spokesman for the government of Saskatchewan, but I can say that I know that province is interested in the outlawing of extra billing.

The minister says that she wants to consult more. For a government obsessed with timetables, the timetable for saving medicare seems to be pretty loose. Can the minister say why she is breaking her campaign promises to the Canadian people by not acting swiftly to stem the erosion of medicare now that she has the Hall report to support her?

Miss Bégin: Madam Speaker, the report was made public upon its receipt on September 3. I immediately invited my counterparts to a meeting on the September 15 and 16. They thought that was too fast and the meeting finally took place at their request on September 29, I think it was, in Winnipeg. That was a week ago Monday. The ten provinces told me that they reject binding arbitration.

The morning after, I received the Canadian Medical Association for a long meeting, the first of a series of meetings. They reject extra billing. So the two parties are in total opposition. If the hon. member read the Hall report in depth he will know that it is very well said that the two must go together, that there is, on the one hand, a mechanism to make sure that the doctors get fair process of negotiation and, at the same time, that Canadians will not see their medicare system eroded by breach of the agreement, namely extra billing.

Mr. Blaikie: Madam Speaker, my final supplementary question is to ask the minister again when she is going to start some initiative by the federal government and when she is going to take the responsibility that is rightly hers for the health care system in Canada and stop being intimidated by the medical associations in the provinces. When is she going to take some action and live up to some of the promises that she has been so accustomed to making over the last few years?

Miss Bégin: Madam Speaker, it may well be that there are players in the medicare system who want to feed and nurture a confrontation between the parties. For a few months now we have been repeating and repeating that sooner or later the parties must come together and settle it. Mr. Hall himself said very clearly—and we are left with that dilemma and all members of the House have to take a stand on that—that, for example, the interruption of block funding by withholding the monthly payment—in other words, by applying the act the way it was passed by this Parliament—is disruptive to services. On the other hand, he also recommends that provinces ban extra billing and adopt binding arbitration as the mechanism to give fair process to the doctors and to us to amend the Medical Care Act. I cannot change our act and impose binding arbitration if the ten provinces reject it. We will have other consultations in order to come to an agreement. My next meeting of ministers is in February.

● (1430)

INQUIRY WHETHER ALTERNATIVE TO COMPULSORY ARBITRATION OFFERED

Hon. David Crombie (Rosedale): Madam Speaker, I have a supplementary question for the Minister of National Health and Welfare which concerns the same matter. The report from Mr. Justice Hall indicated that there ought to be compulsory arbitration. My understanding is that the minister has publicly rejected that as a recommendation. It seems to me that she has a responsibility to put something in its place. What has she offered?

Hon. Monique Bégin (Minister of National Health and Welfare): I am very pleased, Madam Speaker, to have an opportunity to correct the statement made by my colleague. At the Winnipeg conference, in a very short statement at the end of the meeting to my counterparts as well as to the press, I said that I had accepted that recommendation of Mr. Justice Hall; that I would explore the timing and the way it could be done; that I would not implement it unless full consultations had taken place with all interested parties. I still have to see representatives of the nurses of Canada, of the hospital administrators, of the coalition for health, etc.

I would not propose an amendment, because I am not in a position to do so, including the addition of the words "binding arbitration". The objective described by Mr. Justice Hall, namely that there would be a mechanism giving fair process of negotiations to the doctors, would be used instead of the words "binding arbitration".

Mr. Crombie: Madam Speaker, I had assumed that the minister had rejected compulsory arbitration. She now seems to be not saying that. Would the minister confirm to the House whether or not she accepts or rejects the principle of compulsory arbitration for professional medical fees, as outlined in the recommendation of Emmett Hall?

Miss Bégin: Madam Speaker, I wish I could find the exact words of the recommendation, which sets out what we should be doing. Mr. Justice Hall recommends to the federal government an amendment to the Medical Care Act in order to ban extra billing. Mr. Justice Hall recommends the provinces ban

extra billing and provide for binding arbitration. Who are we to impose on the provinces who will be bound by binding arbitration?

Some hon. Members: Oh, oh!

An hon. Member: Just like the constitution.

* * *

EXTERNAL AFFAIRS

HUMANITARIAN AID GIVEN TO PALESTINE LIBERATION ORGANIZATION BY QUEBEC

Mr. Peter Lang (Kitchener): Madam Speaker, my question is to the Acting Secretary of State for External Affairs. In view of the fact that the Quebec government has decided to give humanitarian aid to the Palestine Liberation Organization, according to recent press reports, and in view of the fact that aid from a provincial government to one of the antagonists in the mid-East conflict could be construed as support for one side over the other, thereby prejudicing the international position of the Canadian government, will the acting minister advise the Secretary of State for External Affairs to conduct an investigation into this matter and, if necessary, to stop this aid or have the federal government see that both sides receive equal amounts of assistance?

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the federal government is not aware that the government of Quebec has committed itself to provide humanitarian aid to the Palestine Liberation Organization. But we are going to check those facts. However, I can tell the House that the federal government does not intend to provide any humanitarian aid to the PLO. Our humanitarian assistance to the people of Palestine is transferred through the Relief and Works Agency of the United Nations for Palestine Refugees, an agency to which Canada is one of the main contributors. Madam Speaker, our contribution to that agency was roughly $5 million last year and it will amount to $5.7 million for the current year.

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[*English*]

ENERGY

INQUIRY AS TO HOW GOVERNMENT WILL RECOVER COST OF OIL IMPORTS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance. On August 1 the Minister of Energy, Mines and Resources, who is going to share budget night, we understand, with the Minister of Finance—there is going to be a joint presentation, the "Mutt and Jeff show"—

Mr. Malone: The "Marc and Allan show".

Mr. Crosbie: —said this: "At the retail level, we believe it is only fair that consumers bear the costs now borne by the taxpayer to subsidize imported oil while we are still importing oil." Since the cost of that subsidy this year is about $4 billion, and since the cost of gasoline since March 1—since this government took office—has risen 15 cents a gallon—

Some hon. Members: Oh, oh!

Mr. Crosbie: I do not know what that is in litres, but it is quite a bit even in litres—will the Minister of Finance tell us how the government proposes to pass on this $4 billion cost to the Canadian consumer, and how many cents a gallon or a litre will that come to for the Canadian consumer when it is passed on this year as this principle of the minister of energy is carried out?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member knows that we do have in place an oil import compensation program that has the effect of assisting consumers of imported oil. When that program is changed it will be announced in the House and the hon. member will be assisted by all of us in reaching whatever calculations he requires at that time.

Mr. Crosbie: Madam Speaker, I just gave the quotation where the policy was changed on August 1 by the minister in this very detailed statement. It is just the mere details we do not know yet, namely, how the $4 billion is going to be collected from the public.

The Prime Minister on January 12, in Toronto, before he was Prime Minister—in his interlude—said that he was going to make the tax system more equitable. In order to make it more equitable, will the minister explain to the House how he is going to pass on this $4 billion to the consumer? Will it be by deindexing the personal income tax, or by a tax at the refinery gate level that will increase the price of gasoline, transportation fuels, heating fuels, petrochemical products, and all the rest of the products made from oil, or will he eliminate the sales tax and put it up another 3 per cent and reverse what happened in November, 1978? How is he going to carry out this equitable tax principle of the Prime Minister's and pass on this $4 billion?

Mr. MacEachen: Madam Speaker, I am a bit surprised at the series of questions which the hon. member is asking this afternoon; whether we intend to deindex; whether we intend to have a refinery tax; whether we intend to increase the sales tax.

Mr. Baker (Nepean-Carleton): Surprise us with an answer.

Mr. MacEachen: I just ask him to wait and he will find out the answers in one shot before the end of the month.

Some hon. Members: Oh, oh!

An hon. Member: Some shot!

Some hon. Members: Hear, hear!

SURVEY RESPECTING RESULTS FROM FAILURE TO REACH OIL PRICING AGREEMENT AND THREATENED IMPOSITION OF TAXES

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the question is: Will we survive the shot?

I have a question for the Minister of Energy, Mines and Resources. According to a survey by the Canadian Association of Oil Drilling Contractors, the failure of this government to reach an oil pricing agreement and the continuing threats to impose gas export and other taxes have led Canadian oil companies to reduce their planned exploration budgets for next year by about one-third, or $2 billion, and to divert this money to the U.S. Is the minister aware of this situation; is he concerned about it; has he expressed his concern to his cabinet colleagues; has he planned some action, or is he prepared to believe the propaganda in his energy advertising that the energy future is secure regardless of government action or inaction?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I was reading very recently a submission by Dome Petroleum to a board of investigation in British Columbia which indicated that in spite of the fact there was no agreement on pricing this year, drilling in western Canada has increased by between 15 and 19 per cent over the year when the Tories were in office.

Some hon. Members: Oh, oh!

Mr. Lalonde: I look at what has happened in the course of this current year and I am confident that when our decisions are announced, companies in the oil and gas field in Canada, particularly Canadian companies, will be very happy with what we are going to produce.

● (1440)

Mr. Andre: I gather that means you are not aware of what is happening. My supplementary deals with the government's proposed gas export tax which, in addition to being discriminatory, represents in the case of British Columbia a direct tax on the B.C. treasury and, in the case of Alberta, a tax on the industry which will drive many junior Canadian gas producers, if not into bankruptcy, at least into forced sales.

Is the minister concerned about the consequences of this proposed export tax? Has he expressed his concerns to his colleague the Minister of Finance, who is preparing this shot for Canada, or has he simply adopted the view that his main responsibility is energy revenues, and the health of the industry and future exploration is not something he really has to be concerned about?

Mr. Lalonde: Madam Speaker, I want to reassure the hon. member that the Minister of Finance is only thinking of introducing fair taxes. This is the view of this government as well.

Oral Questions

INDUSTRY

MASSEY-FERGUSON—INQUIRY WHETHER GOVERNMENT WILL ASSIST IN REFINANCING

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. The minister indicated in his statement on October 3 that it is his government's view that, given an adequate refinancing plan, Massey-Ferguson will continue to play a strong role in the farm implement sector of the Canadian economy. Is the minister prepared, should the private sector fail to refinance Massey-Ferguson, to participate in an equity program with the government, the employees and the dealers buying shares and holding positions on the Massey-Ferguson board of directors recently vacated by Argus Corporation, to ensure that jobs and Canadian productivity are given highest priority?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we will be working actively with Massey and the Bank of Commerce to assist them to put together an adequate refinancing plan to achieve the kinds of objectives which the hon. member stated and which are, as he confirmed, very much those of this government. I do not think it would be helpful in reaching that objective to speculate at this time on what the final package may be and what the resulting role of the government may turn out to be.

Mr. Blackburn: My supplementary is to the same minister. I hope the minister appreciates the urgency of this in view of the fact that some of Massey's very heavy debt load comes due on a short-term basis at the end of October. Can the minister assure this House that adequate guarantees have been obtained from the creditors and suppliers of Massey-Ferguson Limited so that the loans coming due at the end of this month will not cause the company to go bankrupt before a refinancing plan can be put in place?

Mr. Gray: Madam Speaker, in my statement of October 3 I said that in the circumstances outlined in that statement the government expects the companies, lenders and suppliers to maintain their existing arrangements with the company to allow time for the Bank of Commerce and the company to put a refinancing plan in place. I have no information as yet that the lenders and suppliers will not be responding positively to this statement.

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ENERGY

NATIONAL GAS EXPORTS FROM B.C.—INQUIRY AS TO POSITION OF LIBERAL PARTY

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the Prime Minister. Can the Prime Minister tell the House, and in particular his own party colleagues, just exactly what the promise was to British Columbians during the last election with respect to Liberal policies on the imposi-

tion of a tax on the export of natural gas from British Columbia.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I made no promise in that regard. I understand that yesterday the hon. member quoted some statement made by one of our candidates. I am not aware of that, but I am looking into it.

Some hon. Members: Oh, oh!

Mr. Fraser: I hope Madam Speaker will excuse me if I point out that the candidate was formerly a member of the Prime Minister's staff, three times a Liberal candidate in B.C., and leader of the Liberal party in the legislative assembly. His name is Gordon Gibson. He put this in writing, and—

Madam Speaker: Order, please. Will the hon. member ask his question. I do not think that is actually a question.

Mr. Fraser: Madam Speaker, the truth is sometimes hard to get at around here; it takes a few words. Mr. Gibson said this in writing on February 13—

Some hon. Members: Question.

Madam Speaker: Order, please. I ask the hon. member to co-operate by going immediately to the question and not quoting. I do not think that is necessary. The statement is probably known by the Prime Minister and he can answer. Will the hon. member now ask his question?

Mr. Fraser: Madam Speaker, keeping in mind your admonition, which could be a matter of some debate later—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Fraser: May I ask the Prime Minister this. Does the Prime Minister consider himself bound by solemn commitments made by Gordon Gibson as the leading Liberal candidate to the effect that there would be no tax on the export of natural gas from British Columbia, that that was the policy of the Liberal party and the policy of the energy critic, the present Minister of Energy, Mines and Resources, as expressed in writing in a newspaper in the province of British Columbia? It is no use looking to the energy minister because he will not answer the question.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, the hon. member and perhaps his party will be interested to know that at the beginning of the last election campaign we put together a platform committee composed of 20 members appointed by caucus, 20 members appointed by the federation from among members of the party and people across the land. This platform was put together and approved by the Deputy Prime Minister and by myself.

Some hon. Members: Oh, oh!

Mr. Trudeau: I thought perhaps the opposition could learn how to put a program together.

Some hon. Members: Hear, hear!

Mr. Trudeau: The point, Madam Speaker, is that we put this platform together, we published it and made it public. The item referred to by the hon. member was not in that platform. It is true that—

Some hon. Members: Oh, oh!

An hon. Member: Listen and learn.

Mr. Trudeau: That's right. I cannot say it; I hope you heard it.

Madam Speaker: Order, please. This is really going on too long. I would ask hon. members to please stop shouting so that this question can be dealt with efficiently.

Mr. Trudeau: Madam Speaker, the hon. member is a politician. He knows that in an election campaign many people who stand for election undertake to make their best efforts to obtain certain things if they are elected. I cannot, nor could any party leader, monitor the statements.

Mr. Fraser: Give an answer.

Mr. Trudeau: If the loudmouth would please be quiet, Madam Speaker, then I might be able to give him the answer that he is asking for.

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INDUSTRY

REFINANCING OF MASSEY-FERGUSON—COMPARISON WITH CHRYSLER CORPORATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is further to that asked by the hon. member for Brant in connection with Massey-Ferguson and is directed to the Minister of Industry, Trade and Commerce. The minister is being a somewhat reluctant bridegroom in his pursuit of the negotiations with Massey-Ferguson. He is much more aggressive in the negotiations with Chrysler Corporation. Will the minister inform the House in what way Massey-Ferguson is different from Chrysler Corporation, apart from the fact that many workers of Chrysler Corporation live in the ridings of Windsor where there are three Liberal ministers.

Some hon. Members: Oh, oh!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, there is a great similarity between the Massey and Chrysler cases. With regard to the Chrysler case, there were some eight months of negotiations before a final decision was arrived at. If I am not mistaken, discussions with the previous Conservative government began in August, 1979, and there had not been a conclusion at the time the government changed. This went on for some months further

before a decision was reached which was in the best interests of the employees of the company, the suppliers, the dealers and the Canadian economy as a whole. I think I am following a sound precedent in making sure that in working on this matter we do come up with the best solution for the company, its workers, suppliers and dealers, and the economy as a whole. I hope my hon. friend will not disagree with that.

● (1450)

Mr. Wilson: A supplementary question, Madam Speaker. In view of the reluctance the government has shown in providing any support to Massey-Ferguson because that support might be perceived as being support for or a bail-out of the Argus Corporation, what impact on the negotiations has there been as the result of the donation of Argus's shares in Massey-Ferguson to the Massey-Ferguson pension fund?

Mr. Gray: Madam Speaker, we pointed out in the statement I issued on behalf of the government on October 3 that we have decided to work closely with Massey, the Bank of Commerce and other interested principals in order to assist them in putting together an adequate plan for the refinancing of the company. We had been pressing the company, the banker and other principals to come forward with an adequate refinancing plan, and when they failed to agree among themselves on the details of such a plan we decided to take this further initiative in the interests of the workers, the company itself, the dealers and the many farmers across the country with Massey equipment, in a way which would respect and bear in mind the best interests of Canadian taxpayers and the economy as a whole.

In this instance our position is no less forthcoming than that of the government of Ontario, which has certainly been no more ready to provide immediate assistance than the federal government. I notice that my hon. friend has not said a word about that.

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COMBINES INVESTIGATION ACT

INQUIRY REGARDING AMENDING LEGISLATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs, and it relates to recent developments involving two of our major newspaper chains.

Given that the present director of the combines investigation branch feels that present legislation provides "periodic licence to engage in illegalities", which certainly identifies the lack of teeth in that legislation, given the fact that the legislation is very weak regarding advance notice of transactions and, of course, weak in providing any encouragement for the Attorney General to take action, and given the fact that it takes up to four years for an investigation and three years for a prosecution, will the minister tell this House when he plans to bring the former bill C-13 to counteract this, and why has he not brought it in before this date?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, obviously, an inquiry being under way, it becomes difficult to make any observations on the matter brought up by the hon. member.

On the other hand, the question of the hon. member allows me to confirm to the House the intention of the government to table, in the near future, the amendments to the competition legislation in order to strengthen the section dealing with mergers. I trust that, when this bill comes up for study in the House, I shall get the support not only of the hon. member who put the question to me, but as well that of all other hon. members.

[*English*]

Mr. Riis: My supplementary question, Madam Speaker, refers to the action or, perhaps, inaction on the part of the minister some weeks back when he failed to initiate an inquiry. I should like to ask why he gave the Canadian people the impression that he was initiating an inquiry when in fact it was the result of the efforts of six individuals?

[*Translation*]

Mr. Ouellet: Madam Speaker, I deny the allegations of the hon. member. Quite the opposite is true: immediately after the merger was annouced, I asked my officials to make a preliminary study to determine whether in fact a formal inquiry was warranted. As we know, the law provides various ways of setting up a formal inquiry. At the time when those officials were in the process of formulating their recommendations with regard to holding a formal inquiry, a number of consumers requested one, which was set up immediately under the act.

* * *

[*English*]

FINANCE

EFFECT OF INTEREST RATES ON ATLANTIC PROVINCES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is directed to the Minister of Finance. In view of the present trend toward higher interest rates and the disastrous effects they have on the fragile economies of the Atlantic provinces, with which the minister is familiar, is the minister going to be taking any measures to either hold the line on interest rates or cushion their effects on the Atlantic provinces?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have under consideration at the present time a number of possible options that might be used not only in the Atlantic provinces but elsewhere, but I am not sure at this stage what the final decision will be.

Mr. Howie: Madam Speaker, I would like to thank the minister for his answer and ask whether he will implement the December last budget proposals to stimulate the shipbuilding

industry, to provide tax incentives for regional development, and possibly help lower income families through an energy tax credit system?

Mr. MacEachen: Madam Speaker, the hon. member has mentioned the shipbuilding industry and probably has reference to a proposal that had been made by a former minister in respect of Atlantic fishing vessels. I found that proposal to have certain flaws in it, but it is still under consideration.

* * *

THE CONSTITUTION

REQUEST FOR ASSURANCE GOVERNMENT PROPOSALS DO NOT ADDRESS RESOURCE SHARING

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, my question is for the Minister of Justice. There have been some foolish suggestions by some provincial politicians that the constitutional package being proposed by our government has all kinds of hidden powers which will do the provinces in. The Leader of the Opposition last night clearly went as far as to suggest that the "bogey man" was hidden there.

An hon. Member: Make your speech later.

Mr. Tobin: For the public record, Madam Speaker, will the Minister of Justice assure this House that the constitutional package proposed by this government does not address itself to the question of offshore resource jurisdiction, or the question of resource sharing?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I want to assure the hon. member that we were very careful in drafting that document not to begin to change the balance of powers between federal and provincial governments. That is why we are not making changes in terms of resources or anything at this moment. We wanted to avoid completely touching the sharing of powers. We wanted to patriate the constitution and provide a bill of rights for Canadians so all Canadians will have their rights protected forever in the constitution.

Some hon. Members: Hear, hear!

* * *

ENERGY

INQUIRY WHETHER GOVERNMENT WILL RENOUNCE PLAN TO IMPOSE TAX ON EXPORTS OF NATURAL GAS OR HYDROELECTRIC POWER FROM B.C.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in light of the remarkable statement just made by the Minister of Justice, which absolutely contradicts something he said on the weekend relative to the imposition of a natural gas export tax, and in view of the government's implied plans to plunder western provinces by levying a discriminatory export tax on natural gas, a measure which is equivalent to imposing a supplementary income tax of $500 on every resident of British Columbia, and recognizing that thousands of British Columbians are declaring their absolute rejection of an excise tax on natural gas and hydroelectric power throughout B.C., will the Minister of Energy, Mines and Resources indicate whether the government will now honour its election commitment quoted by my colleague, the hon. member for Vancouver South, and promise to the people of British Columbia, as promised last February as well, that it will renounce any plan to impose a federal excise tax on the export of natural gas or hydroelectric power from British Columbia?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, if the hon. member can avoid dying of apoplexy between now and the budget I think he will have his answer, but we will have to wait and see.

Mr. Siddon: Madam Speaker, this is not a matter of dying of apoplexy; it is a matter involving the death of this country, which is what is at stake.

Some hon. Members: Hear, hear!

Mr. Siddon: I would suggest that if that proposal to impose an export tax was contained—

Some hon. Members: Order, order.

Madam Speaker: Order, please. Would the hon. member ask his question, please.

Mr. Siddon: Madam Speaker, I would ask the Prime Minister why he does not show courage here and now by admitting to the people of western Canada at this time that the government intends to proceed with an export tax on natural gas? Admit it!

* * *

● (1500)

HEALTH CARE

REQUEST THAT HALL REPORT BE REFERRED TO STANDING COMMITTEE

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is to the Minister of National Health and Welfare. We on this side certainly agree about the importance of the report presented by Mr. Justice Hall, and we have observed the apparent difficulty in its utilization. The minister has shown us her uncertainty about what course to follow.

An hon. Member: Let's have your question.

Mr. Bradley: In view of the importance of proper, affordable medical care for Canadians and a just return for physicians, will the minister refer the Hall report to committee so that Justice Hall and other witnesses may be examined and we can assist in developing a method of solving this difficulty?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I find the idea interesting. However, the hon. member should remember that the Standing Committee on Health, Welfare and Social Affairs of the House of Commons has a very heavy workload. In particular, there are several subcommittees set up right now. I will, however, explore that and look at it as a mechanism which may help strengthen medicare.

The hon. member says that I am not sure, or some such expression. He said I did not know what I was saying. I would like to call his attention to page 28 of the report where very precisely Justice Hall tells us the following:

Nor is it within the constitutional authority of the federal government to legislate the way in which a province and the physicians... enter into an agreement.

He goes on very clearly to say that it is none of my darned business to reject binding arbitration, but it is up to the provinces to do so; so I hope the hon. member will correct his way of speaking on the issue of medicare and recognize that we know where we stand. We want to save medicare.

Mr. Bradley: Madam Speaker, I am aware of the report and what it holds. I am wondering if, in pointing out that the workload of the committee is very heavy, the minister is aware, which I am sure she is, of the anxiety that Canadians are going through today in switching from family physicians they have had for many years in order to find physicians who have opted into medicare. I wonder if she is aware of the erosion of faith and trust in our physicians and our medical system today. I wonder if she is aware that we are forcing physicians—

Madam Speaker: Order, please. Does the hon. member have a question which is a supplementary question?

Mr. Bradley: In view of the fact that we are forcing physicians to take action they do not want to take, will the minister please review the committee's workload and ensure that there is a spot for consideration of the Hall report?

Miss Bégin: Madam Speaker, I think the time for action has come, and if the hon. member wants one more study, as I said earlier, I will look into that possibility, but when he appears as an angel and suddenly realizes that medicare is in some danger, he is saying and confirming what many people in different provinces of the country do not acknowledge. He is saying, "Yes, premiums have caused damages," as Justice Hall says; "Yes, extra billing was popping up here and there in the country; yes, some provinces were having new user fees or increasing their user fees". That is what we said a year and a half ago when nobody else was acknowledging it. We said that that was a problem.

Mr. Broadbent: Do something about it.

Miss Bégin: Justice Hall confirmed it. We are trying to solve that problem, and we will continue to do so until medicare is back to normal.

Point of Order—Mr. Epp

[*Translation*]

ENERGY

INQUIRY WHETHER SUFFICIENT SUPPLY OF HEATING FUEL THIS WINTER

Mr. Michel Veillette (Champlain): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the continuing situation in Iran and Iraq, could the minister assure the House that Canadians throughout the country will not experience a shortage of heating fuel this winter?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for this very important question. I would like to reassure Canadians that despite the current conflict in the Middle East, oil supplies are at such a level in Canada this year that we have every reason to believe there will not be any shortage of oil and heating fuel in particular during winter, contrary to the situation that occurred last fall when there was much worrying and the previous government had neglected to take appropriate action to prevent such a development.

* * *

[*English*]

POINTS OF ORDER

MR. EPP—PROCEDURE DURING QUESTION PERIOD

Hon. Jake Epp (Provencher): Madam Speaker, I rise on a point of order to seek clarification from the Chair in terms of how we are to conduct our business for the next few days.

Today the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin) asked a question of the Minister of Justice (Mr. Chrétien) regarding a clarification of the draft resolution which is on the order paper and which will be the order of business today. The Minister of Justice was given permission to answer that question. That question was directly related to the draft resolution before us, so I ask Your Honour whether that was a different question from questions which can be asked relating to constitutional renewal. The question was very specific as it related to the motion which is before this House at this time and which will be called in a few minutes. As I heard it, the question was not only specific but was also clearly meant to undermine the ability of the opposition to debate the issue. As the government is having difficulty in clarifying its position, the question period is being used for those specific clarifications. That should be done in debate.

Some hon. Members: Hear, hear!

Mr. Epp: If clarifications are necessary, it is incumbent upon members of the cabinet to rise in debate and to give those clarifications and not to use the question period, unless the rules pertaining to the question period and the orders have changed. If that is the case, I would like a clarification. If it is the case, then obviously we can ask questions during the

question period on specifics regarding the draft resolution, and I suggest that the question period would become a shambles. In view of what has happened today in the House, I ask for clarification.

Madam Speaker: I shall take that point of order under consideration. It is true that questions in the question period should not relate to the order of the day. I do not know in advance what the question is going to be; therefore I just have to allow questions to be asked. It is not clear to me whether this point of order is justified at this point. I will have to go back and check the record. I shall do just that, and I thank the hon. member for raising the point.

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on the same point of order.

Some hon. Members: Order!

Madam Speaker: I am not sure that I can entertain more discussion on this point. I did say that I would take it under advisement. Unless the hon. member wants to give me some supplementary information which I cannot get through reading *Hansard,* I think I have to tell the hon. member that I will not recognize him on this point of order.

Mr. Tobin: Madam Speaker, on the same point of order, I just want to—

Mr. Nowlan: Come on. What kind of stable are we running here?

Madam Speaker: Order, please. If I do not recognize the hon. member for Nepean-Carleton (Mr. Baker) because I do not feel I need any supplementary information, naturally I do not think I would allow it either from the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin).

MR. CROMBIE—ANSWER GIVEN BY MINISTER OF NATIONAL HEALTH AND WELFARE DURING QUESTION PERIOD

Hon. David Crombie (Rosedale): Madam Speaker, I rise on a point of order with respect to a response made by the Minister of National Health and Welfare (Miss Bégin) to a question from the hon. member for Haldimand-Norfolk (Mr. Bradley). I think the minister inadvertently misled the House in her response, and I think this point is important for the purposes of the record. She referred to page 28 of the Hall report, and I will quote the sentence she quoted as follows:

> Nor is it within the constitutional authority of the federal government to legislate the way in which a province and the physicians practising within its boundaries enter into an agreement.

That is where the minister stopped, but she neglected to read the remainder of the paragraph which says, and I quote:

> However, the federal government does have a responsibility to set objectives which will reaffirm the national character of Canada's medical care program. The Medical Care Act—

which is the minister's responsibility

—should be revised to provide:

> (1) That extra billing by physicians inhibits reasonable access to services and is contrary to the intent and purpose of the act.
>
> (2) That the provinces should develop a mechanism to ensure reasonable compensation to physicians.

To make sure the record is clear I merely suggest that that is a recommendation placed by Justice Hall as a responsibility of the Minister of National Health and Welfare. That is found at pages 28 and 29.

● (1510)

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): On this same point of order, Madam Speaker.

[*English*]

I would like simply to make it very clear that in the exchange this afternoon at different moments in the question period, members opposite asked me if I had a stand on binding arbitration, specifically if I would include the words "binding arbitration" in the Medical Care Act, and I answered them that that was not the recommendation of Mr. Justice Hall, that I would follow the objective of Mr. Justice Hall, which is a fair process of negotiation with the doctors. That is exactly what my predecessor has just read from pages 28 and 29, that the provinces should develop such a mechanism. I hope this is made very clear. That is what I said, that if we come to the conclusion that we are ready to implement that part of the report, it is not the words "binding arbitration" nor that specific technique that I, as the federal minister, can include, because it is not within the jurisdiction of the federal government to do so.

Madam Speaker: The hon. member for Yukon (Mr. Nielsen).

Mr. Nielsen: Madam Speaker, this is on another point.

Madam Speaker: Order, please. I will not entertain any further discussion on this particular point of order because it is quite obvious to me that this is simply a debate. The hon. member for Rosedale (Mr. Crombie) feels that the answer the minister gave him during the question period was not complete. That is an opinion which he is allowed to hold. The minister tried to explain what she meant by the statement in the House of Commons. I think there will be other opportunities for clarification to be made of this matter which occurred during the question period, and therefore I will not allow further debate on this point of order.

MR. NIELSEN—TABLING OF DOCUMENT

Hon. Erik Nielsen (Yukon): Madam Speaker, now that we have waited a day, I wonder if the Minister of Transport (Mr. Pepin) will table the letter, about which I inquired yesterday, which he appears willing to do.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will do so at the appropriate time.

Madam Speaker: I did not hear what the minister said, but at the appropriate time I intend to advise the House that I have checked into the records and that indeed the minister was not quoting from a letter but was referring to a letter. I understand that when tabling of documents is called, the minister will have something to say about the point of order which had been raised yesterday by the hon. member.

Mr. Nielsen: Madam Speaker, I do not intend to pursue the matter today, but may I say that the question, as well as turning around the point of a quotation from a document—I believe it is under rule 327 of Beauchesne—also specifically refers to members who refer to a document, and when reference is made to a document it must be tabled. However, I will not pursue that point today since the minister has indicated that he is willing to table the document, and we look forward to that.

Madam Speaker: I think the hon. member forgot to mention the fact that when a member refers to a state document, an official document, it has to be tabled. However, this is a different kind of document. It is a private letter to the minister from a correspondent. Therefore, when a minister quotes from it, he is not necessarily obliged to table it. In yesterday's case, the minister referred to a letter which he had received from someone. As I said earlier, I think we will find a resolution to this problem later on during the course of government business.

Mr. Nielsen: Madam Speaker, once again let me say that I do not intend to pursue this question of order at any length. However, I think that if you, Madam Speaker, consulted your advisers in more depth, you will find in all likelihood that any reference made to a document during a debate makes it become a public document, not a private document.

MR. STEVENS—QUESTION CONCERNING POSTAL SERVICE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I rise on a different point of order. During the question period, in view of the fact that the Postmaster General (Mr. Ouellet) was not in attendance, nor was the Acting Postmaster General, the Minister of Labour (Mr. Regan), or the second acting minister, the President of the Treasury Board (Mr. Johnston), I wonder whether the Postmaster General, now that he is in the House, could indicate if he will be making a statement later today concerning the situation with respect to the close downs relating to certain operations of the Post Office in view of the fact that they seem to be clearly illegal and we have been given to understand that the government has a contingency plan to ensure that such services will not be disrupted.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, we have always had the courtesy, when a minister intends to make a statement, of giving prior notice to the opposition parties; as we have not given this notice today, we will not take up the time of the House.

Introduction of Bills

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

TABLING OF CORRESPONDENCE ON RESIGNATION OF DR. HORNER, GRAIN TRANSPORTATION CO-ORDINATOR

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, without going into the discussion as to whether or not I was quoting or referring to a letter I received, I would like to table a copy of the correspondence I exchanged with Dr. Hugh Horner, the Grain Transportation Co-ordinator.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND WITH RESPECT TO ABORTION

Hon. W. G. Dinsdale (Brandon-Souris) moved for leave to introduce Bill C-614, to amend the Criminal Code (abortion).

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

MEASURE TO AMEND WITH RESPECT TO PORNOGRAPHY

Hon. W. G. Dinsdale (Brandon-Souris) moved for leave to introduce Bill C-615, to amend the Criminal Code (pornography).

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

[*Translation*]

Madam Speaker: The hon. Minister of National Health and Welfare on a point or order.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, with your leave and that of the House, I seek the unanimous consent of the House to table the Hall report, because it seems that I failed to do so a few seconds ago?

Madam Speaker: Indeed the hon. minister had given me notice of her intention, so I know she wanted to table a document. That is why I repeated twice "tabling of documents". The minister must have been thinking of something else. Is there unanimous consent to revert to tabling of documents, so that the minister may table her document.

Some hon. Members: Agreed.

[*English*]

Mr. McGrath: Having been the one who had distracted the minister's attention, I will be glad to give unanimous consent on behalf of my party.

● (1520)

[*Translation*]

HEALTH CARE

TABLING OF HALL REPORT

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am grateful for your indulgence as well as that of all my hon. colleagues in the House. Pursuant to Standing Order 41(2), I should like to table in both official languages a report entitled "Canada's National-Provincial Health Program for the 1980s", also known as the Hall report.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 560, 1,032, 1,280 and 1,360.

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

[*Text*]

MR. ROBERT NELSON

Question No. 560—**Mr. Cossitt:**

1. What is the complete public service employment history of Mr. Robert Nelson presently with the Department of Employment and Immigration?

2. (a) Is he serving as acting manager of the Canada Employment Centre in Brockville, Ontario, in the constituency of Leeds-Grenville (b) did he have any experience at managing such an office in the past and, if not, for what reason was he appointed?

3. (a) Was there a board arranged for April 11 and 14, 1980, to interview applicants for the position of student summer replacement officer at the Brockville office (b) did Mr. Nelson refuse to hold an interview, in order to accommodate a student writing examinations during the period in question on the morning of the 15 and, if so, was such a refusal over-ruled by his superiors (c) for what reason did Mr. Nelson not use his own initiative in taking such action in the first place?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. Mr. Nelson was hired as an industrial training consultant (PM-4) in 1973. He has served in Thunder Bay district, Ottawa district and Belleville district. He is currently at the PM-4 level.

2. (a) Yes.

(b) No. The reason he was appointed was career development as the incumbent is on extended sick leave, but, since Mr. Nelson is already at the level of the position and working in the same area, he is considered to be qualified.

3. (a) Yes.

(b) Yes. Mr. Nelson decided to interview the applicant after discussions with the director, employment and insurance, Belleville district.

(c) The delay in taking the initiative to interview the applicant was due to the acting manager's concern for operational requirements.

Question No. 1,032—**Mr. Cossitt:**

1. Was Mr. Robert Nelson acting manager of the Canada Manpower Centre in Brockville, Ontario, until May 30, 1980?

2. Did he at any time since the hon. member for Leeds-Grenville placed question No. 850 on the order paper call a meeting of all members of his office staff and did he read the question to the staff and, if so (a) for what reason (b) did he criticize the hon. member for Leeds-Grenville or make derogatory remarks about the member's right to question the operation of his office (i) at the meeting (ii) to certain employees after the meeting?

3. Was Mr. Nelson transferred from Brockville on May 30, 1980, at the close of business and, if so, what is his present position and location?

4. Was Mr. James Parsons appointed acting manager of the Canada Manpower Centre at Brockville and, if so, what are the details of his public service career?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. Yes.

2. Yes.

(a) The purpose of presenting question No. 850 to the Brockville CEC staff, raised by the hon. member for Leeds-Grenville, was to make them aware of external concerns regarding services being provided to clients.

(b) (i) No; (ii) No.

3. Mr. Nelson's career development assignment terminated May 30, 1980, as previously planned. His regular and present position is industrial training consultant in Belleville.

4. Yes. Mr. Parsons joined the UIC in 1965 as a claims officer in Belleville, Ontario, transferring to Oshawa in the same capacity in 1967. He returned to Belleville in 1970 where he held positions of: insurance officer, PM-1, regional claims and benefits officer, PM-2, and in May, 1974, he was appointed to the position of regional claims services officer, PM-3. During the period August, 1977, to January, 1978, Mr. Parsons acted as district manager, Pembroke, PM-4, and in March, 1980, he became a participant in the management assignment program.

FEDERAL SPACE REQUIREMENT REVIEW—EDMONTON

Question No. 1,280—**Mr. Lambert:**

1. (a) Was the space requirement review completed of the federal requirements in the city of Edmonton as instituted by the former administration late in 1979 and, if so, what was the conclusion of the review (b) in the event that there has been a positive answer to space requirements, is it the intention to resume negotiations at an early date with the city of Edmonton regarding the acquisition of land in the 97th Street area, south of 102nd Avenue?

2. (a) On what date is it anticipated that a firm decision will be made to go ahead with the establishment of a new federal centre in Edmonton in the location decided upon over two years ago (b) if there is a decision to proceed, on what date would it be anticipated that plans could be completed and that the project would actually be under way?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. (a) The cost-benefit study of federal office accommodation requirements for Edmonton was completed in June of this year. Its principal conclusions were that the lowest cost accommodation alternative is the status quo, at least in the short-term (two to three years). In the long run, however, Crown ownership is the preferable alternative.

(b) The resumption of negotiations with the city of Edmonton to acquire a site in the 97th Street and 102nd Avenue vicinity is still an option available to the government at present. Should a decision be made in this direction, my officials would commence such negotiations as soon as the required departmental and Treasury Board approvals were obtained.

2. (a) At this time, no definite date has been established to proceed with development of a Government of Canada building in the aforementioned (southeast civic centre) location.

(b) If a decision is made to proceed with such a facility, it is established that planning, negotiations, approvals, and tendering would take approximately two years with construction under way after that time.

● (0000)

GOVERNMENT ANNUITIES

Question No. 1,360—**Mr. Blenkarn:**

1. (a) What is the total amount anticipated to be paid during 1980 to annuitants who hold Canadian annuities (b) are such payments computerized?

2. (a) Has the annuities branch contemplated arranging with recipients' bank accounts for the direct transfer to the bank account without the necessity of processing a cheque (b) has a study been made in this regard?

3. What is the anticipated cost of postage for mailing annuity cheques to individual annuitants for 1980?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. (a) $95 million;

(b) Yes.

2. (a) No. Certain pilot studies have, however, been carried out by the Department of Supply and Services to evaluate the appropriateness of such a method of funds transfer for government payments generally. These studies have not advanced to the point at which government-wide policies or guidelines can be announced. Should such policies or guidelines be produced, the annuities program is only one of many similar payment programs which would be governed by them.

(b) See (2a) above.

3. Approximately 1.4 million cheques are sent to annuitants annually; at present postal rates, the expenditures are approximately $238,000.

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed, from Monday October 6, 1980, consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

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

That the committee have power to sit during sittings and adjournments of the House of Commons;

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

That the committee submit their report not later than Decemer 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 6 members are present so long as both Houses are represented; and

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

Mr. Jean Lapierre (Shefford): At ten o'clock last night, when we adjourned the debate, I was questioning the judgment of the hon. Leader of the Opposition (Mr. Clark) who says that the people who voted No in the referendum are disappointed by this resolution. I recognize that his ideas about the province of Quebec are as accurate today as they were at the time of the last federal election when he hoped to have 15 Progressive Conservative members elected in my province. On that same matter I also wish to give a warning to some provincial politicans who are making aggressive and passionate statements against that resolution. These laments, as they often are, stem from spurious, improvised and opportunistic nationalism and have already been translated into lost elections for those who try to have it both ways.

I say to those men and particularly those women who pretend that we are proceeding too fast with those changes that I question the sincerity of their argument. By reading between the lines you can see their frustration at not having been heard. I would go further and say that I am convinced

that not only do we meet the expectations of those who voted No but that many Quebeckers who voted Yes only to break the constitutional yoke are satisfied with what we are doing.

Consequently if the threats of legal action do materialize, I urge the government not to change its approach at all and proceed diligently with the changes. Let us not be impressed by dilatory measures which are only aimed at gaining political advantages at our expense.

I now, Madam Speaker, go to the measure itself, to the main feature which seems to please everyone and which I would nearly call virtue and motherhood—the patriation of the constitution.

I believe the Leader of the Opposition as well as the Leader of the New Democratic Party (Mr. Broadbent) agree with our move to patriate the constitution and feel the urgency to do so. I am convinced several of us would have liked to have seen that action taken a lot sooner. The determination of the government heartens us, and I believe we will all be able to proceed with that first part as soon as possible.

Many people worry about the amending formula. Certain offended virgins said we were taking something away from the provinces. We always have to remember that, in order to be flexible, this government allowed for a period of two years during which the provinces will be able to arrive at a unanimous agreement; that is, to stop the changes by unanimous agreement. Consequently, that two-year period will allow the provinces and the federal government to arrive at a new formula. On the other hand, we know that past experience has shown how difficult it is to come up with that famous amending formula, and that is why we provided a mechanism that might allow us to submit the formula to Canadians by way of a referendum.

I listened last night to the hon. member for Provencher (Mr. Epp) when he talked about the tyranny of the majority. The tyranny of the majority might apply in the case of his election. But I must confess that I have faith in Canadians, and when he said he is afraid of the propaganda or this or that, I think he is using it himself as well as his party for their thing about deindexing. I think that might be positive, and we are not afraid to use that kind of propaganda. I think a referendum might be the thing to do. It is not a formula welcomed by anyone. Personally, I lived through a referendum, and I must admit I am not very enthused over the idea of a second one. I think that most people were not enthused over that procedure. On the other hand, you need a means, and I think a referendum still is the height of democracy in a country like ours.

Certain provincial politicians are very worried when they hear talk about the Victoria formula. I want to reassure the people of Quebec, because that formula provides Quebec with the right of veto. Consequently, we have nothing to fear from that formula, and I am convinced our interests will be well protected.

I now come to the charter of rights and feedoms. I believe that the Progressive Conservatives are somewhat divided on this point because yesterday one of them said that he was in favour of such a charter and his leader, as usual, did not quite know what attitude to take. The hon. member for Provencher was opposed, so finally we do not know exactly where they stand on this subject. One thing is certain however, and this is that we believe that individual rights must prevail. If the Progressive Conservatives cannot decide where they stand, it is too bad for them because we shall go ahead in any case.

I am thinking about basic freedoms, and especially the Official Languages Act. This has not been brought up very often in the House since the beginning of the debate, but for my part, I believe that it is very important for Francophones to feel represented by their federal government. To illustrate, I would like to give an example which has always impressed me. My own grandfather, Charles Cormier, served Her Majesty for about 40 years as a lighthouse keeper. In the 1960s, he decided to retire and I still have a copy of the beautiful letter he received from the then minister, which was written completely in English. My grandfather was able to read it, but my grandmother was never able to read about all he had done. I believe that this type of situation used to frustrate Quebeckers and that we could give many other examples where the French language was completely forgotten. Incorporating the Official Languages Act within the constitution gives us a guarantee and it is a great step forward.

Yesterday, the Leader of the New Democratic Party said that this should not be overemphasized among English-speaking Canadians because we do not want to force French upon them. I hope that no one will try to play that card as was done on corn flakes boxes. And some say that there are divisive measures. I believe that this type of prejudiced attitude did nothing to help the Canadian cause. And I hope that the members who used that type of example to defeat our Liberal candidates realize the damage they have done to Canadian unity.

We also speak about democratic rights. I spoke to some of my friends in my constituency on this matter. They told me, "Come on, all that is protected."

Few Quebeckers—or people from any other province—know that a provincial statute enacted by a provincial legislative assembly could allow that body to sit for ten years. It could happen quite legally. This is why I feel it is essential that the constitution provide for elections at least every five years.

● (1530)

On the matter of mobility rights, it must be remembered that for many young Canadians the future is in mobility. Indeed, the government already has mobility programs to allow young Quebeckers to work in Ontario because they cannot go to Newfoundland. These programs allow people from other provinces to find well-paid jobs. Such a mobility

provision in the constitution would brighten in my view the future of many young Canadians whose horizons may be wider than their predecessors' who limited themselves to local employment. If one is to go ahead in this day and age, one may have to look farther away, and this kind of guarantee in the constitution will certainly be welcome.

On the matter of educational rights this is where I have the most painful conscience. It is my impression, after reading and rereading sections 23 and 24, that we have made a large step forward. And when I speak of a historic day, I have the feeling that Francophones in this country, with this resolution, have acquired rights perhaps many would never have hoped for in the past. There is just a minor aspect that hopefully can be amended, a lack of clarity concerning the case of immigrants to Quebec whose mother tongue is English. I am convinced that with all the goodwill of committee members, this minor matter can be clarified.

As far as legal rights are concerned, all those who fought the implementation of the War Measures Act, especially those who were the most vocal at that time, for the most part, of course, oppose the replacement of the charter of rights. The legislation will be amended through enshrinement. This week has been the celebration, so to speak, of the tenth anniversary of the October events, and I believe that abuses which took place at that time will never occur again in future. That is why I believe legal guarantees are essential.

As regards discrimination, women may have been those most affected in this regard and I do hope this constitutional resolution will bring about true equality. That is argued and assumed but there is still a long way to go. I heard a union worker say: "Equal work means equal pay". This is not provided for in the constitution but I do hope our policy will go along these lines.

Mr. Speaker, I listened yesterday to the Leader of the Opposition when he made his comments and surely he represents a loyal opposition because members of his party are always opposed to everything. I had the feeling of being back in the flag debate. At that time the Conservative party was on the wrong side and each time we are trying to make something Canadian, they find themselves on the wrong side. The attitude of the opposition leader does not surprise me at all. Although he knows the people do not support him, he is nevertheless assured of the support of all those who are opposed to changes.

Last night an hon. member was almost crying when he said that Canada would never be the same as before. I suggest that if his purpose is to have today's Canada as he always had it, he does not favour too much initiative. Mr. Speaker, I have entered politics to bring about some changes. In addition, I said during the electoral campaign that if we did not succeed in bringing about some change during my mandate, I would not run as a candidate because I would be too embarrassed to go back to my constituents after making such a firm commitment. Given the commitment of our leader, I would be embarrassed to go back to them and say, "We shall try harder. It is too late to do that."

I think people are fed up. We must act and act as quickly as possible.

This is obviously only a starting point. I do not feel that we have done everything there was to be done. On the contrary, there is evident need to pursue negotiations toward future reforms once we have gotten rid of the present straitjacket. The new amending formula will make it possible to trade powers. As to communications, it seems to me several demands of the provinces are justified. As to the degree of economic union, there is still much room for progress.

What is exciting is that in future, when there will be agreements such as those we have had on family law and other matters, we will be able to entrench progress in the constitution. And when I talk about entrenching progress I am thinking about the representations that have been made by the New Democratic Party and, personally, I think we could go in the direction they propose provided the demands are not too greedy. I just hope that during the study in committee particular attention will be paid to their suggestions which, unlike those of the Conservatives, are constructive.

I listened to a Conservative member say that Canadians must be heard. I think Canadians have had ample opportunity to be heard and that they do not want to hear anything further from us on the subject. That is why I am confident the members of the committee will work quickly and efficiently, but as concerned parliamentarians.

About launching into country-wide travelling, that has been done by the Pepin-Robarts Commission. The recommendations they made were taken into consideration, and repeating the whole exercise would serve no useful purposes.

Finally I hope that many other persons, be they politicians or businessmen, will join us in support of our will and resolve to bring about change. I hope that maybe some Progressive Conservative members who are truly progressive will find it possible to join us when the time comes to vote in the House. My dream is certainly the symbolic and definitive proclamation on July 1, 1981, of the only true Canada Day because only at that time will that holiday be truly Canadian.

Mr. Speaker, all through this debate which is getting under way in this House I intend to watch very closely the arguments used by members opposite because they say they will fight us constantly throughout the country. I am eager to welcome them in Quebec and to all those who will want to fight with us on a constant basis in order to rally Quebeckers behind their stand, I extend an invitation to a debate any time in my riding. I am convinced that their proposal is out of touch as they say in English, and that their determination to block any change is not at all in the best interest of Canada.

When the Leader of the Opposition says that our proposals are dangerous for the future of this country, my answer is that the very fact that he might have remained in power would have been dangerous for the future of this country. I am now convinced that all Canadians will be proud of the courageous move that we are making, in many cases against all provincial governments, and I hope that the matter will be solved as soon as possible and in the best spirit possible.

[*English*]

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I firmly believe that over the last few months there has been a carefully orchestrated attempt by the Government of Canada to change fundamentally the very essence of our federal form of government.

Two of the highlights have to be the exposure, for the first time, for most of us late yesterday afternoon, of the actual terms and details of the draft joint resolution which the government proposes sending to the Queen and British government so that this fundamental change will be made, and the other highlight, to my mind, is the widely reported public relations exercise by two members of the Queen's Privy Council of Canada in going to Britain to explain to Her Majesty and to British parliamentarians the purpose and method by which, at long last, the British can be rid of Canadian constitutional problems.

● (1540)

The reason I am speaking this afternoon is simply because all of my adult life I have been a student of constitutional matters. Through discussions in my party I helped, along with others, to advise a past federal minister of justice, the Hon. Davie Fulton, in a landmark series of proposals for constitutional change and patriation that nearly succeeded. As well, I took a leading part in the preparation of another series of intergovernmental meetings and moves as the attorney general of Ontario, which again almost succeeded, at Victoria in 1971, in devising a system for Canadian amendment and patriation of our constitution.

And, finally, I wanted to speak today as another Canadian member of the Queen's Privy Council in and for Canada. I will have a special request to make of the present government today.

Yesterday afternoon in one of the best and most forceful speeches I have ever heard in this House or elsewhere, this chamber was quite attentive to the Leader of the Opposition (Mr. Clark) as he outlined what was wrong with the constitutional package being presented by the government.

Today I intend, as one who is not inexperienced in these matters, to attempt to give at least one person's opinion on what we as a Parliament should be doing and what the proper, correct, and acceptable alternative course of conduct of the government should be in light of the very difficult positions which have always existed and will always exist in this country if it is allowed to remain as a federation. Of necessity, I am afraid that my presentation will be legal in content, will be based on this country's constitutional history, and will include some rather dry technical and legal details and precedents. I am sorry that it will not be an entertaining, political or partisan speech to the House. Believe me, though, it is intended to be helpful as we all grope and as we all must grope for the right way out of the recurring constitutional dilemma which has always been present in this nation.

May I start with an overly simplistic constitutional history. In any federal system there has to be a division of jurisdiction, a dividing of power between governments in that federal system. In a unitary system for a compact country such as, for instance, the United Kingdom, there is no need for a written constitution to contain a division of powers because the single, central government is all-powerful and paramount. But in a federation with a federal system, especially in a widely dispersed, regionalized, diverse nation such as Australia, the United States, or Canada, where a unitary, centralized government would simply not be workable, representative or responsive enough to the differing needs of our varying regions and peoples, there must be some founding, fundamental, basic statutory instrument which sets out the division of jurisdiction between those governments which make up the whole.

In this country that statute is the British North America Act which was drafted by Canadians for Canadians in the mid-1800s at conferences in Charlottetown, Quebec City, and London. Finally—and I think it is a point well worth emphasizing—only at the very end of those very complicated Canadian conferences of Canadians, which really must have required much tolerance, patience and understanding, was the British Colonial Office brought into the decisions so that the intended legislation could be passed by the United Kingdom parliament.

It was done that way because it was one of the very first peaceful births of a new country in modern time, because it was the easiest legally, and because it fitted in, obviously, with the prevailing public opinion in this country of that day. It was the easiest because, while the British North America Act outlined the limits of jurisdiction between the partners in the federation, the provinces, and the central or federal government, it was also a very handy method of fulfilling that other absolute necessity, that absolute necessity and requirement in a federated system, namely, that the constitutional document that sets out these divisions be beyond the reach of easy access or control or change in those important powers of any single one of the partners to the arrangement.

The reasons for this are obvious. If, in any of the many inevitable, ongoing disputes concerning whom has authority over what, one side or the other could unilaterally change the rules of the game, then no longer would there be a federation or a federal system. That one level of government that had the power to change the rules would be entirely paramount in all things. There would be no rein, no check on its power, and in the hands of an arrogant or intolerant or misunderstanding government or governments, the federal system would eventually evolve into a centralized, single government, all-powerful, unitary system.

So at the request of the Canadians themselves and as a safeguard and guarantee of fair play, and because it was the easiest method, the amending procedure was quite consciously left in the hands of the United Kingdom in 1867. There have been increasing tensions as time went on between Canada and the mother government at the colonial status of this, the senior dominion within the Commonwealth. Other dominions and other members of the British Empire, as it then was, in striving for a position of independence within what was evolving into the Commonwealth, not only devised their own constitutional acts but set up their own domestic amending procedures as well.

There was a logical and inevitable progression toward nationhood in the many different fields in international relationships and inter-Commonwealth relationships of the dominions. One of the most important declarations was the recognition by the imperial conference of 1926 that Canada was as equal and as independent, or should be, in both its domestic and international relationships as the United Kingdom itself.

In 1927, for the first time that I can discover, the then federal minister of justice had the question of a domestic, "in-Canada" amending procedure placed on the agenda of a dominion-provincial conference here in Canada. No decision was announced, no recommendation was made, and no action was taken. However, three years later in 1930 at another imperial conference, the United Kingdom and all of the named dominions of the day agreed that no constitutional statute of the British parliament, indeed, no United Kingdom statute affecting in any way the constitutional substance or procedures of any dominion, would in the future be amended by the United Kingdom unless the amendment was at the request and with the consent of that dominion. This constitutional milestone was formally enacted into British law the next year, 1931, by the Statute of Westminster, which in effect removed any remaining jurisdiction of the United Kingdom parliament in the constitutional provisions and problems in all of the named dominions in the British Commonwealth.

● (1550)

Canada was the leading and senior dominion, and successive Canadian governments, both Conservative and Liberal, had been the leading proponents in the discussions which led to that Statute of Westminster. But to the sorrow of the British who also desired to be rid of the problems of the dominions, the Canadian delegation insisted that an exception be made for the British North America Act so that Canadian amendments would continue to be made by the United Kingdom parliament. Canada could not, because of the lack of agreement among Canadians themselves, cut the colonial cord.

Section 7(1) of the Statute of Westminster still states today that nothing in that statute, which finally and irrevocably set the dominions free in a constitutional sense from the United Kingdom parliament, was to apply to the British North America Act or any regulation arising from it.

We ask why was Canada excepted? That is what that section was—an exception. It was simply because in contrast to the rest of the dominions in the British Commonwealth which had or were about to work out their own special constitutional safeguards, the Canadians feared that, without recourse to the United Kingdom, the Canadian parliament and the provincial legislatures in Canada would have gained the power to alter the British North America Act by ordinary methods, by ordinary procedures, or by ordinary statute.

I repeat: a constitution in a federal system is no ordinary statute. That is the reason for section 7(1) of the Statute of Westminster.

Since that time, many dominion-provincial conferences have been held and they have all demonstrated the very great divisions and diversities that are at the same time the weakness and the strength of this country. However, we were making progress as time went on. Even the federal Liberal administrations started making progress.

Not too long ago, the 1965 white paper of the Government of Canada, under the imprint of the then Liberal federal minister of justice, the hon. Guy Favreau, asserted flatly and unequivocably a general principle of constitutional practice, as follows:

> —the Canadian Parliament will not request an amendment directly affecting federal-provincial relationships without prior consultation and agreement with the provinces.

In a federal system, I submit to you that that type of consensus and agreement is a prerequisite. In a nation such as this, we have to have a federated system. It would be foolhardy, if not impossible, to have a centralized unitary form of government. Indeed, not only is the federal government considered remote from the peoples' problems in most parts of the country even under today's system, but some of our provinces are so large that the complaint is also made that some of them do not supply the intimacy of knowledge and the capability for quick action respecting our citizens' complaints that should be present in an efficient democracy.

Our problem is not an easy one to solve; indeed, there are many who say it is not even a problem—that the present system of amendment best suits the peculiar Canadian need.

I have to confess to you that I am not one of those. I have always believed, and have said before, that this country should have control over its own constitution. There is something lacking in ourselves, regardless of our immense debt to Great Britain for what it has done for us in the past, when, hat in hand, we have to interrupt the British parliament which has enough to do dealing with its own problems, and ask it to intervene at our request in our affairs. If nothing else, sir, it is not fair to the person of our Queen, it is not fair to the British government, and it is not fair to the United Kingdom parliamentarians.

An hon. Member: Nonsense!

Mr. Lawrence: It is also a blow to our prestige—if not to Liberal members, it is at least to my own prestige and my own pride—that we have to do it. We should not have to do that.

What we have to do, then, is devise a new system of citizen control and supervision of all our Canadian governments; protect our people from abuse and erratic behaviour of the majority and the various levels of government, and ensure that some degree of flexibility for change remains in a rapidly changing world and nation.

I repeat that it is absolutely essential in a federal system that the country's constitution should be above and beyond the control of any single government or group of governments. It must be special, not changed easily, and be beyond the reach of a federal government only, or the provinces alone.

I believe as well, that our constitution should protect not only the human and civil rights of our citizens but should protect us also from the abuses of government.

Finally, to make it workable, it cannot be imposed on governments or groups or regions; the constitution must be the result of honest consensus and honest agreement.

Some hon. Members: Hear, hear!

Mr. Lawrence: That is the content, but there are other requirements as to method as well.

If we are honestly sincere in shucking off the last remnants of colonialism—and there have been emotional appeals made in certain sections of the country in that vein —then in all honesty it should be complete; there must be a severance. We should not have to go to the United Kingdom even once more and ask them to do something we are unwilling to do here ourselves. In actual fact, sir, we do not have to.

We should also bear in mind what the resolution we received only yesterday asks the Queen and the United Kingdom parliament to do. It not only requests the British government to patriate Canada's constitution, which, even though the concept in some quarters is controversial, the British, I believe, will be overjoyed to do in order to get Canada out of its hair, but in addition to that patriation we are asking the British, in a supplicant's mood to "please, kind sirs and madams, also add several important, controversial and, to some, deeply disturbing and divisive changes and additions to Canada's constitutional provisions?"

It is not my intention to argue today about the content or even the need for these provisions, the provisions respecting a charter of rights, the concept of financial equalization and redistribution of the taxed wealth of this country, or even an amending procedure that, for the first time, introduces a referendum concept into an amending procedure that many in this country have never even heard of before. This type of manoeuvre, to my knowledge, of adding detailed and specific new law, apart altogether from the other amendments, has never been requested by Canada before. Never, Mr. Speaker! We not only ask for amendments, we add substantial provisions which are new law—totally new detailed statutory provisions—which we could and should be enacting as Canadian statutes ourselves.

If this is the proper way of proceeding—and I say this particularly to my friend, the Minister of Justice (Mr. Chrétien)—with British North America Act amendments, then in 1940, for instance, when the federal government requested the unemployment insurance powers with the agreement of the provinces, why did it not add a schedule to that requested amendment adding the whole Unemployment Insurance Act as well? In 1951 and in 1964 when the federal government, again with provincial agreement, asked that the British North America Act be amended to provide for old age pensions, why was the whole statute respecting old age pensions not included in the schedule as these other extraneous schedules are added to the resolution we have been presented with just yesterday? The reason is obvious: while the amendments were required to give the power, and to change the division of jurisdiction, the actual new legislation itself should have been, and was, enacted here in Canada.

● (1600)

I am all for the patriation of our constitution. I have been in the past and I have worked very hard to bring it about in the past. I have also been on the record for years as stating that our Canadian-made and enacted "at home" constitution should protect not only the human and civil rights of our citizens and of our minorities, with protection, for instance from such moves as the Mackenzie King treatment of Japanese Canadians and manoeuvres such as the Trudeau-Bourrassa use of the War Measures Act, but it should contain a check as well on abuses by government, and it should also contain limits on what any government, federal, provincial or municipal, in this country can do to or with its citizens.

Can we in all fairness now, in the belief that everyone should have the opportunity in Canada to be involved, and in the nagging doubt which some of us might have that perhaps the British parliament and British parliamentarians might not recognize the uniqueness and diversity of the Canadian scene, really be asking the British to enact, as Canadian law, important measures which are certainly inadequate, certainly incomplete, and are vigorously opposed by the great majority of the elected governments in this federated nation? As a matter of fact, I think there are only two exceptions in the twelve.

I suggest to you, sir, that the measure which the government has presented to us is ill considered. It is inadequate. For those of us who are proud of our Canadianism, it does not remove the element of colonialism and imperialism so decried in some sections of the country by government supporters. This resolution should simply not proceed until we, here in Canada, in this parliament and in our provincial legislatures, ourselves, or a preponderant majority of Canadian governments, have enacted, or agreed with, ourselves, a new Canadian constitution.

Some hon. Members: Hear, hear!

Mr. Lawrence: We should not have to go to Britain to ask the British to do it for us. We should be capable here. I believe we are capable here, in this House and in the provincial legislatures, of passing not a resolution but an act, the Canada constitution act of 1980-1981, in which we, not the British, cut

off our constitutional ties of amendment; in which we, not the British, lay out a division of powers; in which we, not the British, set down an amending procedure guaranteeing provincial and citizen involvement; in which we, not the British, safeguard civil and human rights in this country; in which we, not the British, limit the power of governments in Canada; in which we, not the British, provide for equalization and resource ownership, and other important matters neglected in this proposal; and finally so that we, here in Canada, as Canadians, for Canadians, provide for a constitutional convention representative of the governments of and in Canada, and also, sir, of non-political citizens who, I believe, should have the opportunity to be involved, to be represented and to make a meaningful contribution to something that deeply involves this nation's future.

This way the United Kingdom parliament would only have to repeal that single exception. It would only have to repeal section 7(1) of the Statute of Westminster—nothing more—once our Canadian constitution is ready to replace the BNA Act. This way Britain would no longer even have the opportunity, much less the obligation, to solve our Canadian problems. Again, there would be no fear, groundless though it may be at this moment, that a British enactment could still in the future change a wholly Canadian intention, because that avenue would still be open to a Canadian government or to a United Kingdom parliament to do just exactly that. This way, sir, we would be masters at long last, not in our own house but in our own houses, because there is more to governing the country of Canada than this chamber.

In conclusion, may I end up with my personal request to the government, which is to seek an audience with the Queen, to explain comprehensively the Canadian alternatives to the British government and to the United Kingdom parliamentarians. Even a member of the Queen's Canadian Privy Council, one who has had experience as a key member of a provincial executive council in legal, in political, and in constitutional affairs, should properly make the arrangements for such an audience and make the arrangements for such interviews through the government of the day, even though it may not strictly be necessary.

I quite sincerely make this request because there may be others in the House; there may be others in parliament; there may be others in the legislatures; there may be citizens as well, but certainly on my own behalf, I sincerely request the government to do this through Canada's High Commissioner in London. I am convinced these explanations and this advice have not been made available by those the government has already sent. I ask the government to make the necessary arrangements for me, perhaps for others, as a Canadian Privy Council member to have that audience and to request those interviews.

This government, in my mind, is imposing far too much on the Crown and on the United Kingdom parliament. We can, we should be doing the work ourselves here in Canada, and those in the United Kingdom government and those in the Mother of Parliaments should be so informed by other than merely members of the present government. Sir, I will await the government's reply.

Some hon. Members: Hear, hear!

• (1610)

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Mr. Speaker, there are times, in the life of any nation, when it is no longer sufficient to formulate ideals, to exercise one's normal duties and to assume routine responsibilities. Those times require an expression of courage and a spirit of decision which go well beyond the immediate necessities.

For Canada, that time has come. We are now at the crossroads. So long as we have the wisdom and the determination necessary to choose the right direction and to follow it without straying, I think nothing will be beyond the reach of our collective effort. On the other hand, if we hesitate to make a choice, our only legacy to our children and to our children's children will be a fragmented country. We will be held responsible for the failure of confederation. On what basis should we renew the Canadian Constitution, if indeed we want to maintain this country and truly renew the constitution as we promised all Canadians and, in particuliar, my fellow citizens from Quebec? In our view, and one which we have held since 1967, we must do this by giving priority to the rights of the individual over those of the government. Why? Because the interest that man has shown in his own rights goes back to the dawn of civilization. Once he had satisfied his basic needs of protection, shelter, and food he started to consider the problems relating to his human dignity. In antiquity and in the centuries that followed he was concerned mainly with so-called natural rights. Speaking of natural law, Cicero called it unchangeable and eternal, adding that it remained the same regardless of country or time. In the middle ages, Saint Thomas Aquinas gave natural law precedence over the laws of man, and consequently over sovereigns.

Progressively as the notion of social contract developed during the eighteenth century as a government theory, increasing stress was put on the rights of the individual. What if a government failed to respect natural rights? That, according to the writings of Locke and Rousseau, would justify disobedience and rebellion. Thus the notion of the rights of man, of human rights, was born.

Mankind proved so sensitive to that notion that the greatest social revolutions in the history of the western world broke out, one in America, the other in France, to guarantee the rights men claimed as being eternal. That wish, deeply rooted in every individual, that his dignity as a human being be recognized, is expressed in the memorable words of the American Declaration of Independance, which I quote:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness—That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

In France, the Charter of Human and Citizens' Rights of 1789 sought to achieve similar results. It said that, and I quote:

Men are born and remain legally free and equal—

—and that, and I quote:

—the purpose of any political association is the conservation of natural and imprescriptible human rights. Those rights are freedom, ownership and resistance to oppression.

In both France and the United States as well as in all modern countries today it is recognized that a government has in fact only those powers which the citizens were willing to relinquish.

Those, Mr. Speaker, are the roots of the option we take, that the only powers that all our governments, all our legislatures have is that part of the sovereignty of the people that the people let us have for awhile, their inalienable and eternal rights, and we are starting the renewal of our constitution by recognizing forever those rights that no Parliament will ever be able to take away from them. You will look in vain among the Fathers of Confederation for a politician who was able, like a Thomas Jefferson in the United States, to express in those pithy formulas that are part of history the ideals that have continued to be the foundation of the Canadian political community. We have not stopped regretting it since 1867.

There are now in Canada no constitutional fundamental guarantees of those inalienable citizens' rights. No legislation, whether federal or provincial, is beyond legislation that could be passed by another majority. And we say that, if we really want to rebuild this country, we must start by recognizing the rights which belong to the people and which no jurisdiction can ever take away from them. Furthermore, since different levels of government can lay claim to Canada's internal sovereignty it is obvious that if we really want to protect the rights of citizens, all governments must surrender at the same time those rights over citizens. Of course, one might also say that the basic rights of the citizens have been upheld in Canada, it is true, but to go from that to the other extreme and think our purity of heart and our righteousness of living have been spotless, I think that those who know our history know this would be an exaggeration.

We could not protest our innocence and deny accusations of having passed laws that ordered the burning of books, that forbads reading, that took guaranteed rights away from linguistic minorities, that allowed expropriations that looked very much like confiscations, and we can still recall people being arrested in the night and secretly kept in prison for days. Do we or don't we want to put an end to the possibility that certain kinds of things that have happened in Canadian history might happen again? If we really are sincere, if we really believe in the freedom of individuals, in these inalienable and eternal rights, then let us entrench in our constitution a fundamental act whereby all governments would forever relinquish these rights in favour of citizens.

We have no right to be complacent. How many Canadians know that Canadian law allows policemen to produce evidence during a criminal trial no matter how legal or illegal the means they used to get it? Our tribunals will receive compelling evidence without bothering to find out how it was obtained in the first place. It may have been obtained fraudulently, the police may have stolen it or taken it without a search warrant or after breaking and entering into a private residence. Are we really sincere when we say that these things should never happen again in Canada? If so, the only way to go about it, Mr. Speaker, is for all levels of government to renounce altogether and forever in favour of the citizen certain powers they exercise over him.

And what is more, let them not say that we are bent on increasing or reducing the powers of this or that level of government. In fact, if we look carefully into the charter of human rights for all Canadian citizens, we realize that the federal Parliament is indeed the biggest loser. But we are very glad of this, because each and every one of us is aware that the federal Parliament can exist and operate as an institution only because the sovereign people has delegated to us part of its sovereignty, and for a limited time only.

A new constitution must therefore begin with the recognition of inalienable rights for all our citizens. The second question we must answer deals with the purpose of life in society; in other words, what must be the goal and objectives of these men and women to whom the citizens have delegated for a while some powers to govern their country.

Mr. Speaker, there can be no other goal but justice. And that is why through that fundamental legislation, in section 31, the Right Hon. Prime Minister (Mr. Trudeau) and the Minister of Justice (Mr. Chrétien) inserted two new sections in the Constitution of Canada. Furthermore, where there was a consensus between the provinces, namely, that all governments must try to reduce regional disparities in their provinces, and that the federal government must give unconditional subsidies to the public finances of the provinces which are poorer than the others. Why? For a reason which is similar to the first one. If all Canadians do not have exactly the same fundamental rights, the will to live together would of course rapidly fade away. If all Canadians do not have exactly the same quality as far as essential services are concerned without being burdened with excessive taxation, their solidarity must be expressed through their central government which will have to tax the richest regions in order to help the poorest regions. Today there are still provinces where children belong to families which are considerably poorer than some others, where they live in houses which are more crowded than others, where they

have poorer medical services than in other provinces, where educational services are provided by teachers who are less competent than in other areas. And we say that it will be the responsibility of all Canadians to be solidary not only as far as rights are concerned but also as far as real equality is concerned. And this is the *raison d'être* of the other section, to show how closely entangled fundamental rights and equality of opportunities are. What meaning can the section have we are inserting into the constitution to ensure mobility across the country, unless there is a duty for Parliament to help the various regions? Because there would then be a one-way rush to one area, the other way to the poorest ones being senseless.

● (1620)

And the federal government took that unqualified commitment, in consideration of which there is absolutely no commitment from the provinces, because history teaches that every province, every area, can at some point in history suffer poverty or hardships.

Our western provinces, now the richest, 50 years ago were going through the worst crisis in Canadian history. Who could have envisaged that the Atlantic provinces, among the most prosperous at the beginning of confederation, would later undergo a period of difficulties, that today the fishing industry or the maritime industry could once more put them in a better position than the centre, and that they would find oil and their financial resources could increase significantly? Who could have thought 40 years ago that the two central provinces, the backbone of all Canada, would today be soft spots that the two peripheral regions would have to help? All Canadian regions therefore in their histories went through changing circumstances, and the federal government is unconditionally committed to extending each one financial help, subsidies allowing them to give their citizens the same standard of essential services without excessive hardship.

Mr. Speaker, how come the provinces accepted outright that commitment from the Canadian government, while a number of them are somewhat more reluctant to grant rights to their own citizens?

This is, Mr. Speaker, the basic issue because it affects the very purpose of society on which is based the fellowship of all Canadians. Let us act in such a way that all Canadians do not enjoy the same basic rights and surely their willingness to live together will disappear. Let us act in such a way that equality of opportunities is not the same in all regions of Canada and there again, this willingness to live collectively will disappear.

I want to deal with another issue which is of great concern to me as it is to all French-speaking hon. members, this Achilles' heel of Canadian history, an issue which we are going to settle once and for all, namely, the history of the rights of the French minority in provinces other than Quebec.

This issue, Mr. Speaker, is at the roots of all our problems in this country. It is perhaps the saddest aspect in the whole beautiful and praiseworthy history of this country. Canon Groulx who was the spiritual leader of all Quebec nationalists wrote a book about this entitled "French education in Canada—Minority Schools." And we can read in this book what each of us knows about the endless battles that French-speaking Canadians have been fighting since 1867 throughout territories which have become provinces, in the maritimes or in Ontario, battles which have been mostly frustrating and useless, especially during the last century and at the beginning of this century.

It is not by accident indeed that during the referendum campaign that argument was by far the most often talked about in the province of Quebec—those injustices that were committed during the last century and also during this century.

When you look at those sad events which everyone knows about and which have been the Achilles' heel of our whole history, we cannot refrain from saying it is time to put an end to it. It is time French Canadians in other provinces stopped fighting to get French language schools.

The injustice done to Riel in 1885, the Manitoba legislation of 1890, the legislation of 1891 concerning the Northwest Territories, the legislation of 1905 of Alberta and Saskatchewan which became provinces at that time and where Sir Wilfrid Laurier himself could not break down the stubbornness of Anglophones refusing to accept French in the new provinces, the famous regulation 17 passed in 1913 in Ontario, without forgetting what happened in the Acadian provinces in the earlier part of the century, those are the arguments that were talked about during the referendum, and now that the federal government is finally saying it is time for those fights to stop, to give French Canadians what they are fully entitled to, some of their own fellow citizens are turning their heads away and saying that fight does not interest them.

When you consider, Mr. Speaker, that in the last census, 926,000 French Canadians outside Quebec gave French as their mother tongue and nearly 700,000 identified it as their everyday language, some would like to turn their heads away and say that their lot does not interest them.

I only have to quote again in that respect our great thinker, Canon Lionel Groulx, who in his book *Les écoles des minorités françaises* says, and I quote:

That French minorities are advance guards—

—talking about Quebec—

—its first fortifications, has been repeated time and time again in Quebec to no great effect, it would seem. However, one of these days—

—Quebec—

—will have to reflect on the possibility of a withdrawal of French masses from the east and the west toward the borders—

—the French borders.

When I think about what we French Canadians owe to our fellow citizens of the other provinces, I cannot shirk my responsibilities. On this point, I have only to quote what the French Canadians of the other provinces told us recently in their report entitled *The Heirs of Lord Durham,* and I quote:

Nowhere in Canada except in Quebec does the Francophone community have inalienable education rights. In two provinces, British Columbia and Newfoundland, French has no standing as a teaching language. In four other provinces, . . . access to French education is subject to a series of discretionary powers. In not one of these provinces is the survival of French schools ensured by regulations.

And now that we would like once and for all to answer this appeal for help from Francophones outside Quebec, some people would ask us to isolate ourselves from them. No, Mr. Speaker!

Rather than listening to those who tell us that we are betraying them, I prefer to listen to Canon Groulx who said, on page 251 of his work on the history of French minorities in Canada, that it is the role of the federal government—

—purveyor of the common good—

—to ensure this protection to French minorities.

The French culture is a part of the collective treasure of the Canadian nation, and not only does the state—

—the federal state—

—have no right to weaken or undermine this treasure, but, on the contrary, it has the strict obligation to protect and increase it for the good of its citizens.

● (1630)

And how did the government of Quebec get out of this one, since only two years ago it had recognized that the French minorities living in other provinces the right to have their own schools? By what pirouette? Let me quote from the working paper tabled by the Quebec government on July 8, 1980, four months ago, in Montreal, where this sophism can be found:

If language rights were written in the constitution, they would be frozen forever.

"Being protected forever" becomes "frozen forever". Mr. Speaker, very seldom have I been witness to such a betrayal. As we are enshrining in the constitution inalienable rights for French Canadians living in other provinces, for them this move has the disadvantage of "freezing the rights". What we want is to protect those rights forever, for as long as this country exists. Mr. Speaker, that is the solution dictated to us by our conscience. And I tell myself that this betrayal has been committed by a government which pretends to be the protector and the spokesman for Quebec traditional positions. Needless to say, the leader of the Liberal party in Quebec has stood by the position of that province which, he insists, is the home, the cornerstone, the very foundation of the French Canadian people; it has always acknowledged its responsibility.

Ask Jean Lesage about it! He recognized that the French-speaking Canadians in the other provinces also had those rights. He did not wash his hands of the matter. That is why I was particularly happy when the leader of the Liberal party in Quebec said recently that he agreed that those rights should be recognized for the two linguistic majorities in Canada.

Mr. La Salle: But not by going about it that way.

Mr. De Bané: Now, if we are going to talk about ways of doing it, may I be allowed to tell my hon. colleague that I, too, am sorry it was not done on the basis of unanimity. But for 50 years now we have tried to follow the ideal way which the hon. member for Joliette (Mr. La Salle) suggests and which many others have tried to follow before him.

I would remind him that his own former Progressive Conservative Prime Minister, Mr. Diefenbaker, Mr. Pearson, the present Prime Minister for 12 years now, the Leader of the Opposition (Mr. Clark) who was Prime Minister accidentally as a result of popular aberration, all of them tried to do so. We have all tried and if I am asked to express regrets, I will say that these are my regrets.

For 50 years now, we have tried to achieve the ideal goal through the ideal means. It took some time to realize that each and every one of the 11 governments to which that right of veto was given has used it to exercise its tyranny over all the others. To my mind, in a democratic country, the inalienable rights of the French Canadians cannot be negotiated; the inalienable rights of all the citizens of this country cannot be exchanged, swapped for rights over fisheries or long distance telephone rates.

If my hon. colleague wants me to continue expressing my regrets, I shall be specific about a few more. At the constitutional conference held a few weeks ago, when the Ontario Premier told his Quebec counterpart, René Lévesque, that he was against section 133 of the constitution applying to Ontario, the Quebec premier did not insist in the least. In so doing, he destroyed all hope of those rights being recognized for Franco-Ontarians. If the hon. member for Joliette wants me to express my regrets I shall tell him that this proposal is an enormous step forward in the renewal of the Canadian Constitution but, unfortunately, it represents less compared with what the federal government had obtained in 1971 in Victoria where seven provinces had accepted that the debates in their legislatures should take place in both official languages. As well, three provinces had accepted that their statutes be published in both official languages. If he would like me to go on expressing my regrets, I would tell him that I was deeply saddened when the Prime Minister offered the provinces, two weeks ago, to create a new constitutional court which would exemplify the dualism of Canada—not only the legal system which is dualistic, but all other dualistic aspects—when he offered them a new dualistic constitutional court and, as you are aware, they could not reach agreement between them. If the hon. member wants me to go on expressing my regrets, I will tell him that I was overcome by a boundless sadness when the offers concerning a second chamber, which would have been a chamber of regions, was rejected. While

senators are now exclusively appointed by the federal government, it was offered to the provinces that they be involved in the appointment of their representatives here, and these offers were rejected. No, if I were asked to express regrets, I would do so, but rather I am asked today to look at the paths that we will cover with this resolution. And I recall to the hon. member the solemn commitment made by every member from Quebec to their fellow countrymen from this province during the referendum campaign. We will start the revision right away, without delay, and we will not stop until the task is finished.

And we are saying: is there a better way to undertake this revision than by basing it on the people, by acknowledging as all governments should that it is to the people that we owe part of the sovereignty? Is there a better way to start than by saying: the central government is going to give unconditional subsidies to all provinces in order to enable them to provide essential public services to their citizens. Is there a better way to start than for the federal government to undertake as a new commitment in the constitution the provision of equal chances to all Canadians? Is there a better way to undertake this revision than by saying that from now on all French-speaking and English-speaking Canadians will have the fundamental right to their schools and that nobody will ever be able to take that from them and that they will no longer have to fight for them as has been the case for 100 years? A party tried to use these facts in our recent history to justify a certain option 100 years later and today, as we are intent on solving these problems, they do like Pontius Pilate and say, "We do not feel responsible for the fate of the other Francophones of Canada."

So, Mr. Speaker, what we have tried to do in this bill is to state on what bases this country is going to stand, and for us there are only two, freedom and dignity.

Mr. Kilgour: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Edmonton-Strathcona on a point of order.

Mr. Kilgour: Mr. Speaker, may I ask the minister a question on his speech?

Mr. Deputy Speaker: Does the hon. minister accept a question?

Mr. De Bané: Yes, Mr. Speaker.

Mr. Kilgour: Mr. Speaker, I think the minister spoke of the lack of evidence provided by police in a legal matter, if I understood correctly. If so, can he tell me what section he was referring to?

Mr. De Bané: Certainly, section 8 which states:

Everyone has the right not to be subjected to search or seizure except on grounds, and in accordance with procedures, established by law.

● (1640)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise today to affirm my belief in the federal system in this country and particularly in co-operative federalism which I think is so important for Canadians from one coast to the other. I believe that a number of principles are very important when we talk about Canada and its future.

First of all, we must have a strong central government which is strong enough to ensure equalization of income and other things for Canadians from one part of this country to the other. At the same time, I believe we should have strong provincial governments able to implement programs which respond to differing provincial and regional needs.

I also strongly believe that in this country we have two orders of power, two sets of jurisdiction, partners between federal and provincial powers. As Alan Blakeney, the premier of my province says, those powers are equals.

I also believe we have in this country a number of peoples. It has been said that this country has existed now 113 years, but many people have been here for much longer than that. I understand that the Minister of Justice (Mr. Chrétien) can trace his family back 200 or 300 years perhaps, probably many years before confederation. I think of our Indian and Inuit people whose roots go back many hundreds of years in North America.

[*Translation*]

I am also thinking, Mr. Speaker, of the Canadian duality, a very important historic duality which is based on the distinctive character of Quebec society and of Francophones outside Quebec and also on a different legal system. The NDP believes in this principle. We recognize that Canada has two official languages, French and English. We supported the official languages bill tabled in 1969, we continue to endorse it and we strive to improve it so that federal institutions reflect a bilingual Canada.

[*English*]

It is in that context that I want to discuss in the next few minutes the resolution before the House today. In the debate yesterday my leader put the position of our party very eloquently. He spoke about the need for some action on the constitution. He spoke about the feeling in the country that we have to change things from coast to coast. He spoke about the need for the patriation of the constitution. He spoke about the position of our federal party and the course that our party had taken in September in endorsing the principle of a charter of rights. Indeed, I can refer back to the first bill of rights which, as the minister said yesterday, was introduced in this country in Saskatchewan in 1947 by Tommy Douglas when he was the premier of my province.

Some hon. Members: Hear, hear!

Mr. Nystrom: I would like to refer also to the philosophy of equalization which our party has supported for many, many

years, and I will speak about that at greater length later on in my remarks.

I also want to spend some time this afternoon issuing a few warnings to the government. I want to pick up the lead of my leader, the hon. member for Oshawa (Mr. Broadbent), when he spoke yesterday in the House so eloquently about the issue of resources which, I say to the government, is absolutely vital to the western part of this country and indeed, in my opinion, to every single province from one coast to the other.

Speaking for a moment as a westerner, I want to say to the government that we are serious when we say that resources are very important in my province, but in the package that is before the House today resources are forgotten. I remember that when I was growing up as a child I heard stories about homesteaders and pioneers, stories about the "dirty thirties" and the great depression, and of all our fears in western Canada that we were to supply our raw materials and food products to central Canada and that central Canada had the industry, the tariff protection, and the transportation policy to help itself. I want to say to the Minister of Justice that if he does not include something in the package on resources, then he will just be stirring up many of these old historic feelings in western Canada, and unfortunately in western Canada there is an increasing alienation from Ottawa and what "it stands for".

There will be increasing alienation from many institutions in central Canada, from the Liberal party and the Prime Minister (Mr. Trudeau) himself, unless we can make some serious changes in the package on resources in the proposal before the House. I need only mention that this extremism is growing, that we do have small separatist groups in the west, that we have a unionist party which wants to join our part of Canada to the United States, which is something that I and my colleagues will fight against as hard as we possibly can.

Some hon. Members: Hear, hear!

Mr. Nystrom: The point is that if we do not change some of the things in the resolution, what we will be doing as parliamentarians is spurring on that kind of sentiment, that kind of feeling, that kind of movement in western Canada.

I want to say also that we must clarify the fact that the ownership of resources must belong to the provinces. We must have some concurrence with federal paramountcy of the provinces with the federal government when it comes to interprovincial trade. I think it is also important to consider the possibility, as our party has said in its council resolution of a few weeks ago, of provincial concurrence with federal paramountcy when it comes to international trade. In my province, for example, most resources are exported, resources such as heavy oil, potash and uranium, are exported to other parts of the world. I think it is imperative that we also include indirect taxation. This is important, not just in my province but to all the provinces in this country. I say to the minister who is in charge of the constitution, the Minister of Justice, that the federal government agreed to most of these items four weeks ago, down the street here in this city, and I appeal to him to include these points in this package so as to make it more balanced for the people of Canada.

Some hon. Members: Hear, hear!

Mr. Nystrom: I do not have to speak again about the court cases we have had, such as the Cigol case and the central Canada potash case where provincial legislation in my province was struck down. I also want to refer to the fact that we should be treating off-shore resources the same as on-shore resources. The hon. member for Kootenay West (Mr. Kristiansen) will be saying something about that later on in the House, either this evening or tomorrow.

I would also like to spend a few moments picking up on what my leader said yesterday, that we must have some other changes in the resolution in the House today, and I want to elaborate on three of them. One of them is section 42, the other is equalization, and the third one is the whole question of the language of education where the numbers warrant it, and how that is defined. As I said, someone else will speak about off-shore resources, and the hon. member for Nunatsiaq (Mr. Ittinuar) and the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) will speak about the native peoples of this country.

I want to begin with section 42 and I want to voice some grave concerns about the way section 42 is written in the resolution before us today. First of all, we have an amending formula which is the modified Victoria amending formula. Under that formula one must have two of the Atlantic provinces, Ontario and Quebec, and two of the western provinces representing at least half of the people, agreed upon a constitutional amendment.

● (1650)

I hope members will study section 42 very closely and will listen to my remarks very carefully. Under that section the federal government has the power to go over the heads of any legislature and conduct a national referendum by itself on any constitutional question whatsoever. It has the power to do that, and if they have a majority in Quebec, Ontario, two provinces in the Atlantic region of our country and two western provinces, representing at least half the people, then that constitutional amendment will carry. I think that is very dangerous in a federation where there are two powers, federal and provincial powers that are partners which should be sharing.

Looking even further at the consequences of section 42, one finds in section 46(1) that the referendum rules will be written exclusively by the Parliament of Canada. In reality it means that they will be written exclusively by the government of the day if it is a majority government. Section 46(1) reads in part as follows:

—Parliament may make laws respecting the rules applicable to the holding of a referendum under section 42.

I think that has very dire consequences because it means the government can control the timing of the question, which is very important. One can put his finger to the wind and take public opinion polls. If the timing is right, there is a referen-

dum. What would the results have been of a national referendum back in October, 1970, exactly ten years ago today, if the government of the day had put forth a constitutional amendment to retract civil liberties in the country? Because of the emotionalism of the day it would have carried and we would have lost, through a referendum, what we have in the Diefenbaker Bill of Rights or what we will have in an entrenched bill of rights in the constitution. What would happen to an amendment on capital punishment after the brutal killing of a policeman and the emotions it might cause? What would happen if there were a tremendous energy crisis, a conflict in the Middle East and a tremendous increase in the price of energy, if there were a national referendum to have more control of resources going to the federal government? That may even carry in two of the western provinces representing 50 per cent of Canadians. For example, it could isolate the provinces of Saskatchewan and Alberta which have the oil. It is dangerous to have the power which exists in sections 42 and 46 of the resolution.

Also I should like to refer to the money. The federal government can make the rules. I have been in politics long enough to know that money can manipulate public opinion. This summer I saw an advertising campaign launched by the federal government. They spent $6 million rewarding a lot of their friends in the advertising business, talking about Canada and the constitution. That advertising program will be increased. I understand the unity office is increasing its budget from $10 million to over $30 million. It is planning another major advertising program in the country. It is wrong, because they are advertising a simple proposal, not a government law or government program.

When this first happened this summer I spoke to the hon. member for Winnipeg North Centre (Mr. Knowles) who has been in the House since 1942. I asked him what the precedents were for this. I think he went back to 1966 or 1967 when the Hon. Judy LaMarsh was secretary of state. At that time she was piloting the Canada Pension Plan through the House of Commons. After a long debate in the House there arose considerable opposition from certain reactionary forces in the country which I shall not name. A number of people went to her and said, "For the sake of Canadians, why do you not put on an advertising program saying why we need the Canada Pension Plan?" Her response was that it would not be proper, that it was a government proposal which had not been passed by Parliament. She indicated that it was not the law of the land and therefore the government had no moral right to advertise a proposal, which in fact was a partisan proposal of the Government of Canada.

Some hon. Members: Hear, hear!

Mr. Nystrom: I say to the Prime Minister and to the Minister of Justice that, under sections 42 and 46(1), indeed the Government of Canada has the power to go against the wishes of all the legislatures and all provincial parties of this country and to appeal directly in a referendum where it controls the timing, the money, the funding proposals and the wording of the question. It will write the question. In other words, it sets the rules. It is a loaded dice. That is not right; that is not proper. A right can be given through the amending formula in this resolution and then taken away through a manipulative referendum which denies the basic partnership and the basic essence of federalism.

My second concern is the whole question of equalization. We all endorse wholeheartedly the principle of equalization. I am very glad that it will be enshrined in the constitution of Canada because the very essence of a democratic socialist party is equality of condition. I think members should study very carefully section 31 of the resolution before us to see whether it will equalize conditions in Canada. I have read and reread that section, only to find out that it does not even mention equalization payments. There is no reference whatsoever to equalization payments in section 31. For example, the way this section is written, the government does not have to pay equalization payments. It can make direct grants to people in certain provinces where they qualify for equalization. In other words, it can pay moneys directly to people in Quebec and Newfoundland as citizens, despite the fact—

An hon. Member: Even corporations.

Mr. Nystrom: Perhaps corporations, as my friend said. It can bypass the duly elected local governments which historically have received equalization payments. It can do it for no other reason than to buy votes in a partisan manner, which I would not put past the Liberal party because of its traditional program over the years. I have only to ask people in Newfoundland and Quebec. They will confirm that this practice has been only too common in those two provinces.

We are a federation. We are supposed to try to reach a consensus before doing things. As my leader said, before acting unilaterally we must try as much as possible to have the consensus of all provinces and the federal government. I looked at the equalization proposal and I followed the conference across the street. Only one province supported the proposal in section 31 whereas nine provinces supported a different proposal. I have a copy of it here, but time does not permit me to read it. That proposal refers to the fact that Parliament and the Government of Canada are committed to making equalization payments to ensure provincial governments have sufficient revenues to provide levels of public services at reasonably comparable levels of taxation. It lists in more succinct detail the regulations that would govern the payment of equalization payments in the country. I say to the House, and through the media to the people of Canada, that we must take a look at section 31. It is not enough to endorse it in principle. Indeed we may be endorsing the Liberal party or any other government buying votes in provinces and going over the heads of the legislatures, instead of endorsing something on which all the provinces are agreed.

The third matter I should like to raise is an objection to sections 20 and 23 dealing with the official languages of our country. I find a bit of a double standard. Section 20 refers to two languages in federal institutions and parliament. When we

get to determining whether or not numbers warrant, we find out that parliament will determine what the numbers are, whether numbers are warranted for bilingual services, whether numbers are warranted for French in the nine provinces that are predominantly English, whether numbers are warranted for English in Quebec.

• (1700)

Then we go on to section number 23. I support the fact wholeheartedly, as the Minister of Justice knows, of making sure that there are schools for Anglophones in Quebec and Francophones outside Quebec. We find out when we talk about where numbers are warranted, it is not the provinces, the provincial legislatures, or the people elected—and education is provincial—but it is left to the courts. I do not accept that double standard in federalism.

I see, Mr. Speaker, you are signalling me to sit down. I see it is five o'clock and I did want to speak for five or six minutes more, if I could continue. With your permission, I will. If not, I will come back at eight o'clock.

Some hon. Members: Agreed.

Mr. Collenette: Mr. Speaker, we did make an agreement yesterday to allow the hon. member's leader to continue until six o'clock. I think we should ask the consent of the House, especially that of the hon. member for Esquimalt-Sannich (Mr. Munro) who has seen this bill of his being passed over once in the summer, if he is willing. I think that we should not anticipate that every single day when we get to five o'clock we will intrude upon the business of private members' hour.

Mr. Munro (Esquimalt-Saanich): Thank you, Mr. Speaker. I would agree to this request provided that the full hour is accorded to the debate on my bill.

The Acting Speaker (Mr. Blaker): Perhaps hon. members will excuse my own intervention. I think that if it is the will of the House to extend a few extra minutes to the hon. member for Yorkton-Melville (Mr. Nystrom) we will do so, but I think the ordinary course of adjournment should be followed, that is to say, at six o'clock. If there is not unanimous agreement for the hon. member to continue, we will proceed to private members' hour immediately.

Is there unanimous agreement for the hon. member to continue for not more than five minutes?

Mr. Collenette: We do not want to be difficult this early in the resumption of the session, and members on this side will certainly agree to allow the hon. member to continue for five to seven minutes. However, we do insist that private members' hour end at six o'clock, the allotted time, which seems to indicate that it would not be acceptable to the hon. member for Esquimalt-Saanich.

Mr. Nystrom: I can resolve this quickly. I am a very co-operative person. I will come back at eight o'clock.

The Acting Speaker (Mr. Blaker): Before we move to private members' hour may I just deal with the adjournment debate which will take place later this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Esquimalt-Saanich (Mr. Munro)—Airports—Victoria International—Absence of radar equipment; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Energy—Oil—Sources of supply for eastern Canada; the hon. member for Comox-Powell River (Mr. Skelly)—Consumer and Corporate Affairs—Inquiry into oil industry—Release of information gathered.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1980

MEASURE RESPECTING CAPITAL PUNISHMENT

Mr. Donald W. Munro (Esquimalt-Saanich) moved that Bill C-215, to amend the criminal law (punishment of certain offences), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Collenette: On a point of order, Mr. Speaker, we would ask that all preceding bills remain on the order paper and be allowed to stand since, as I said earlier, the hon. member did give up his turn in July and we would not want all the hon. members below him on the order paper to lose their places.

The Acting Speaker (Mr. Blaker): I was not in possession of the information indicating that other bills or motions were on the order paper, and the consent of the House is sought that they be allowed to stand. Is that agreed?

Some hon. Members: Agreed.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I am grateful for your co-operation. I have no gratitude at all for the co-operation that is extended to me from the other side of the House. I was prepared to agree to the hon. member for Yorkton-Melville (Mr. Nystrom) continuing and having that few minutes extended beyond six o'clock. I am very surprised that the government should say it is not going to be obstreper-

ous this early—this is day two of the resumed session. It is already being obstreperous by not allowing the extra few minutes to the discussion of a very important bill.

As the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) has said, I did stand down on the day the House rose and I hoped, even then, that there would be some give on the government's side to introducing sane, sensible, meaningful proceedings in this House so that, as was promised by the government of the Thirty-first Parliament, all government members' bills would have two hours of debate and would be able to be voted upon—not talked on, but voted upon—as to whether they should go to committee. But I see that there has been no move to have the Standing Committee on Procedure and Organization reconvened so that we can have meaningful debate on private members' bills. Therefore, I shall proceed with the discussion, my opening remarks on the second reading of this bill. I do hope it will not be talked out today. That is why I felt a failure of the Chair to see the clock at six for those few minutes might permit the government member to sit down—because I am sure one of them is planning to talk it out—so we could agree to have this matter go to committee for discussion, and come back to this House for a free vote. I mean a free vote, like one of those freedoms that this government claims to be putting into the charter of freedoms and rights.

Mr. Speaker, I am committed to the notion that man as a rational being is responsible for the acts he commits. The purpose of this bill, as will be seen on page 1A of the bill—

Mr. Blaikie: Will it be a free vote in your own party?

Mr. Munro (Esquimalt-Saanich): Yes, there will be a free vote in this party, too. That is an undertaking given by the leader of this party a good many years ago, and he stands by it.

The purpose of this bill is to restore the death penalty for first degree murder and high treason while substituting a more humane mode of execution for hanging, because I abhor this notion that the television and press have of putting a noose on the screen and front pages to depict the sentence of death. The punishment for serious narcotic offences would also be stiffened to the point of the death penalty for persistent repeaters.

It may come as a surprise to some members of the House that the death penalty is on the statute books of Canada. Section 75 of the Criminal Code, which deals with piracy, indicates quite clearly that anyone who, in the commission of a piracy, for which offence he would be liable to imprisonment for life, murders or attempts to murder another person, or does any act that is likely to endanger the life of another person, shall be sentenced to death. That is the penalty. It is still on the statute books.

It is the purpose of the bill that if, under a certain set of circumstances, a rational being kills another, he has forfeited his right as a law-abiding citizen and the law should take its course. The course I propose is the death penalty. I say the murderer has demonstrated his unwillingness, or his unreadiness—it is a matter of degree—to live by the laws that others are prepared to obey, for one reason or another. He may demonstrate this unwillingness by carrying a deadly weapon and by using it.

The decision in the first place to carry a death-dealing weapon, be it a knife or a gun, is in itself a rational act and a preparation for a commission, in certain circumstances, of a crime. Although it could be a poker game for which this individual is setting out, it is more likely that in such circumstances he is on serious business, either to rob a bank or to hold up someone. This person carries with him a death-inflicting weapon and seems prepared to use it. If the individual had no weapon but his body and hands and was prepared to use them in such a way as to extinguish the life of another, the consequences are the same and the full effect of the law should be applied. My bill says that that full effect is death.

● (1710)

It should be clear that the intent of my bill is not vengeance but deterrence. The argument over deterrence will be heard interminably. I insist that it is a matter of belief. Those who believe that there is no deterrence are entitled to their opinion, but I feel that they should allow those who believe that the death penalty is a deterrent the entitlement of their opinions, and I would like to see a free vote on that matter.

With regard to statistics, how can we compare known statistics on those who have not drawn back with those who have drawn back at that fatal moment? They are not going to admit that they have drawn back. They are ashamed, thoroughly ashamed, of what they did and they do not want it known that they drew back because of a deterrent, but they did. On a statistical plane, I insist that there is no real valid means of comparison. So I insist that it is a matter of faith or belief that there is a deterrent in the presence of a death penalty on the statute books.

There are those, of course, who use the argument that it is abhorrent to take life. I abhor those who would take life out of a whim, fear or desperation, and without a fair and impartial trial. They are the judges and they take the life. Those are the ones whom I abhor. My concern is for the innocent victim. I can think of the many police officers who have in the performance of their duty lost their lives. I can think of a particular case which occurred within the last two or three weeks in my part of the world, I regret to say, in which an officer suffered death in the performance of his duty. He was just behind the counter of the police station. He left not only his wife, but a child and another child yet unborn. These are the people whom the law should protect.

Has rehabilitation proven its case? I suggest that the death penalty has proven its case very simply because the murderer is not able to commit a second murder. There are those who say they do not, but they do if we are to believe the press. I have before me a press clipping from April which describes the incident of a man who was being held in a triple killing. They do repeat the offence. They may not have been caught the first time. What about that creature—and I cannot think of a better word—in Chicago who went around enticing women

into the bushes and murdering them out of hand? That man has forfeited any right he had to live in a civilized society. In another case a killer from Repentigny escaped on July 13, 1980, while he was being taken on a visit, presumably as a rehabilitation exercise, to Les Floralies in Montreal. He escaped, and stabbed a man.

What does this bill contain? Its provisions are broad and the crime is specific. There is provision for appeal and commutation. But once all recourse to a second or third look is exhausted, the sentence is final.

The bill speaks of treason. I do not think there should be any question in the world but that someone who has committed a treasonable act has forfeited the right to live in that society. Those who kill officers of the law and prison guards in the performance of their duties, such as in prison breaks, and those who kill fellow inmates should face the death penalty. If death occurs in the course of a highjacking, kidnapping or forcible confinement, rape, or attempt to commit rape or indecent assault, then the death penalty should be there to be used.

Finally, where there is a second offence of murder, once under the provisions of the current law and once under the provisions of this bill which might become law, the death penalty should be considered. I suggest that those who traffic in drugs in large quantities and who are apprehended committing that crime more than twice have forfeited their right to live in the society of this world, not just in the society in which that crime was committed.

This is a controversial bill and there is no question about it. But let us face the controversy and let the bill go to committee and emerge for a free vote.

I suppose one should not really deal with polls and percentages, but they exist nonetheless. The Gallup poll shows that 82 per cent of the people are in favour of the death penalty. My own poll in my own riding shows that 85 per cent of the people there are in favour of the death penalty. I have here another poll which was taken rather hastily one day by a radio station. All of the people in that poll supported the idea of at least some categories of murder being subject to the death penalty. I have another clipping which tells of a retired official from the Solicitor General's office who left his duties because he found that the members of Parliament were not addressing the real problems of crime. That clipping was found in *The Globe and Mail* of July 5, 1980.

There are those who would rather stay in prison than die because there is a chance of getting out. That is true. Here is a recent account of a convict who was given the option of life in prison, or death. He chose death. So I suggest that we proceed with our debate. I urge members on all sides of this House to allow this matter to come to a vote so that it may go to committee and be discussed at greater length, so that the issues can be examined in depth and detail, and so that it can come back to this House for a free vote.

● (1720)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member for Esquimalt-Saanich (Mr. Munro) has presented his reasons for putting forward Bill C-215, in a very articulate and very reasoned manner. But many aspects of the bill trouble me. The title of this bill is the Criminal Law Amendment Act, 1980. The explanatory note is far more serious, and it is the principle and assumptions upon which Bill C-215 is based that concern me.

The explanatory note reads as follows:

> The purpose of this bill is to restore the death penalty for first degree murder and high treason, while substituting a more humane mode of execution for hanging. The punishment for serious narcotics offences would also be stiffened, to the point of the death sentence for persistent repeaters.

In discussing this bill it is necessary to cover some territory which has been explored many times in this House of Commons with regard to similar pieces of legislation. I believe this is because the suggestion of the hon. member is not new. At the same time, the arguments for and against capital punishment are not new and so I should like to spend a short time reviewing the recent history of capital punishment in Canada.

On July 14, 1976, by a free vote of 130 to 124, this House abolished the death penalty for all crimes under the Criminal Code. The then Bill C-84 culminated a trend toward abolition which began in common law countries such as Canada, over a century ago. The criminal law of England introduced the "Bloody Code" to Canada which, in 1763, called for death as the penalty for over 200 crimes. Later, between 1859 and 1865, the extent to which the death penalty applied in Canada was narrowed, so that capital punishment became applicable only for murder, treason, and rape.

By the late nineteenth century, reforms on the application of the death penalty were progressively introduced into Canadian law. Following World War II, Canada moved legislatively to narrow the crimes for which capital punishment could be applied—following the lead of the United Kingdom.

After a long process of review—including the joint parliamentary committee in 1953—which witnessed a trial ban which maintained the death penalty for murders of police and prison guards, the death penalty was abolished for all crimes.

Outside of Canada, the scope of application of the death penalty has been progressively restricted in law. As recently as April, 1980, the Parliamentary Assembly of the Council of Europe adopted, by a wide margin, a resolution and recommendation favouring the abolition of the death penalty in all 21 member states of the Council of Europe.

In Canada and elsewhere in the world, the death penalty has been increasingly de-emphasized as a judicial instrument. A 1962 United Nations report concluded as follows:

> The abolition or suspension ... of the death penalty does not have the immediate effect of appreciably increasing the incidence of crime.

This is an empirical judgment: one which the author of Bill C-215 has not disputed.

But let me ask, Mr. Speaker, what kind of evidence can be brought forward in support of Bill C-215? What sorts of arguments can be asserted at this time which would lead this House to reopen a debate on the merits of capital punishment?

Perhaps it would be that the rate of homicide has increased. If our post-abolition experience in Canada had shown a disproportionate rise in the murder rate, which could be ascribed to abolition, then I could understand hon. members wishing to embark on a renewed debate on capital punishment.

Let us look at the evidence, Mr. Speaker. Allow me to refer you to the August, 1979, Statistics Canada publication entitled, unfortunately, "Homicide Statistics". Tables I and II of that document detail the situation with respect to homicide for the past several years.

Table I deals with homicide "incidents" which are distinguished from homicide "offences", which are detailed in Table II.

"Incidents" are defined as every single event in which homicide is committed.

"Offences" are defined as the total number of homicide victims in a given year.

Using either of these definitions, the 1978 rates for homicide in Canada were the lowest since 1974. The 1978 figures, as we are all aware, are the latest available on this subject.

The total rate of homicide incidents in 1974 was 2.46 per 100,000 population in Canada. The rate in 1975 went up to 2.77. In 1976, the year of abolition, the rate dropped to 2.66. In 1977, it rose marginally to 2.72. Then, in 1978, it fell again to 2.62.

Exactly the same pattern existed in the case of homicide offences. The 1974 rate of 2.67 was followed by a rise to 3.07 in 1975. This dropped to 2.89 in 1976, marginally rose to 3.03 in 1977, and finally in 1978 dropped to 2.80.

The 1978 murder incident rate of 2.35 per 100,000 population was the lowest since 1974. Similarly, the 1978 murder offences rate of 2.51 was also the lowest since 1974.

The principal conclusion which I would suggest we can draw from this data is that there is absolutely no evidence that the abolition of the death penalty for Criminal Code offences in 1976 has led to a disproportionate increase in the murder rate in Canada. In fact, as I have demonstrated, there has been a levelling off of that rate. The issue of changing murder rates in Canada cannot lead us to reconsider the question of abolition in this House.

Another point that I should like to raise with regard to the deterrent effect of capital punishment refers to the most recent information that I have available to me, which is an article in today's *Globe and Mail*. This deals with a study done in the United States regarding the deterrent effect of capital punishment by a sociologist at the University of California, Mr. David Phillips. The article reads as follows:

> Executions of convicted killers deter other murders for no longer than two weeks, says a new statistical study.
>
> David Phillips concluded from a three-year research project that the homicide rate drops during the week of a highly publicized execution and during the following week.
>
> But Mr. Phillips, a sociologist at the University of California at San Diego, found that the murder rate then begins rising. "Within five or six weeks of a publicized execution, the drop in homicides is cancelled by an equally large rise in homicides," he wrote.

So, Mr. Speaker, this new evidence, which is the latest evidence, takes into consideration all previous data that has been available. I do not know the statistical validity of this study, but if it is the latest information we have we will have to go with it until we can examine it more closely. Being the latest study, it indicates to me that there is no evidence that there is a permanent or long-lasting deterrent effect from capital punishment when it is used in a country as a means of punishment.

A second issue which concerns me is clause 6 of Bill C-215. This clause provides, in part, for the re-introduction of former Criminal Code provisions instructing a judge to seek the recommendations of a jury as to clemency.

The amendment to section 670 of the Criminal Code provides for a judge to put a question to a jury in the course of which jurors are told that if they make a specific recommendation with respect to commutation, such a recommendation will be drawn to the attention of the Solicitor General and will be given "due consideration by the Government of Canada".

If you read this part of clause 6 with the subsequent amendment to section 671 which states, "would allow commutation to life imprisonment only where a majority of the jury so recommends", major problems become apparent.

Under the wording of Bill C-215, it is entirely possible to foresee a situation in which five members of a jury recommended positively for commutation, while the other seven jurors made no recommendation at all. Under Bill C-215 the cabinet would be prevented from even considering commutation of such a death sentence, because the amendment to section 671 of the Criminal Code forbids such consideration except in cases where "a majority of the jurors who found the person guilty of the offence recommended in favour of commuting the sentence". Surely this outcome cannot be considered just or reasonable.

The wording in Bill C-215 is inadequate since it gives members of a jury no indication whatsoever that their failure to make a recommendation would have the mandatory effect of sending an individual to his death without the possibility of cabinet review.

Nevertheless, even if this fatal weakness were remedied in Bill C-215, it seems to me that the bill places an intolerable burden upon a jury by giving them the unprecedented power to remove the discretion of the governor in council even to consider cases for commutation.

There are absolutely no criteria in Bill C-215 to guide or limit the absolute discretion of a jury to make a clemency recommendation. Bill C-215 also has the effect of widening the scope of the application of the death penalty. Not only is the sentence of death to be imposed in cases of planned and deliberate murders, or murders of police officers and prison guards, but it is also to be imposed in cases of death caused by a person while committing other offences. These can include aircraft highjacking, kidnapping, rape, attempted rape and indecent assult, to name but a few.

● (1730)

To make my point, allow me, Mr. Speaker, to refer to the amendments to the Narcotics Control Act suggested in clause 10 of Bill C-215.

Presently, there is a maximum of life imprisonment for trafficking or possession for the purpose of trafficking, and there is a mandatory minimum seven-year term for importing or exporting.

The bill we are considering would establish as a judicial formula such things as the following: a mandatory minimum seven-year term for first offences; a mandatory minimum fourteen-year term for second offences and a mandatory death sentence for third offences.

Already, the seven-year term currently in law has been vigorously criticized by the Canadian Bar Association and by some judges. They feel it is too harsh. To replace the seven-year term with the formula set forward in Bill C-215 is completely intolerable. Bill C-215 would widen the scope of mandatory minimum sentences and provide for even harsher mandatory minimums, up to and including a sentence of death. In my opinion, this is unthinkable.

It seems to me there are but two reasons why anyone could put forward a bill which would bring back the death penalty. The first is the deterrent effect. In other words by having the death penalty on the statute books there would be fewer murders per 100,000 population in the future than in the past. I think the statistical evidence indicates that this is not the case in Canada both before and after capital punishment was abolished. In my view, the evidence does not support the deterrent effect, or at least the hon. member for Esquimalt-Saanich (Mr. Munro) has not presented statistical evidence which would support his position and lead those who believe in the deterrent effect to support the bill.

The second reason one could put forward for bringing forward capital punishment is simply a desire for vengeance. I fear a situation where a civilized nation institutionalizes vengeance in its Criminal Code or in its criminal system. I think a system of government, a societal system, which builds upon itself or builds within itself a code of violence, begets violence.

Mr. Munro (Esquimalt-Saanich): We have got it.

Mr. Evans: I think that a situation where criminals are treated with violence leads to violence. I think that over time as a result of abolition of capital punishment we will find that because we do not institutionalize violence in our system in this way, we will probably wind up—I certainly hope this will be the case—with a fewer, rather than a greater, incidence of murder and such previously classed capital crimes. I hope that is the case. The evidence before me indicates some tendency in the direction I suggest. I will certainly want to watch that very carefully to see if that trend continues in the future. That is my hope, and until such other evidence can be brought to my attention, I hope that we will go no further in considering this legislation.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to speak on Bill C-215. However, before I do so, I wish to say that in my view it is rather unfortunate we are seeing the use of valuable parliamentary time in this private member's hour devoted to this subject when there are so many other important issues facing Canadian people.

An hon. Member: Why are you speaking, then? Sit down.

Mr. Robinson (Burnaby): For example, there is the issue of high unemployment, particularly among young people. I note that in the hon. member's own constituency there are serious layoffs in the shipbuilding industry. It is unfortunate that the hon. member chooses to speak on this subject, one which has been spoken about so many times in the past by members of his party and other parties, instead of speaking about layoffs in the shipbuilding industry. To talk at this time about capital punishment when so many people are out of work and when our resources are being sold out is unfortunate and is a reflection on the kind of priorities to which the party to my right is subjecting Parliament to at this time.

The Acting Speaker (Mr. Blaker): Order, please. I might remind the hon. gentleman that, to my recollection, as a general rule once a bill is before the House, as in this instance, it is not ordinarily the case that its origin is subject to comment. The hon. member has sought an opportunity to put a bill before the House and, to the best of my recollection, his motivation is not ordinarily one which should be the object of comment.

I want to make it clear that I am not referring to a standing order; I am working at the moment on my recollection. Perhaps the hon. member might pursue the debate in terms of the bill rather than the proposer's motives.

Mr. Robinson (Burnaby): Mr. Speaker, with respect, I make no aspersions whatsoever on the motives of the proponent of this bill. I merely suggested that this was a reflection of the priorities of that particular party and, obviously, of that particular individual.

The Acting Speaker (Mr. Blaker): Order, please. I have to interrupt the hon. member for Burnaby (Mr. Robinson) for a moment on a point of order. The hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I do take issue with the hon. member who was just speaking. He is questioning my motives. The hon. member will recall that I accorded to the hon. member for Yorkton-Melville (Mr. Nystrom) the courtesy of allowing him to interfere with my time. The time was not of my choosing. The time of my choosing was July. I had the floor on that particular occasion, and I was asked to continue now. I do feel the rules of the House here prevail. If the speaker wishes to criticize the bill, he should do so and cease any criticism of the author.

Mr. Robinson (Burnaby): Mr. Speaker, while the time may not have been of the hon. member's choosing, the point I was

making concerned the subject itself which was of the hon. member's choosing and, as I say, that reflects the priorities of that particular member, and perhaps to a lesser extent of the party.

I turn now to consideration of the subject itself. The hon. member for Richmond-South Delta (Mr. Siddon) has asked what are the priorities of this party. The priorities of this party are to build a decent society in this country, to reduce unemployment and to end the sell-out of our resources. If the hon. member wishes me to continue on this subject, I will be quite happy to do so. The hon. member is silent. In that event, I will turn to the subject of the bill before us.

We have heard already from the hon. member for Ottawa Centre (Mr. Evans) in terms of the technical drafting of this bill, and indeed it is deficient in a number of respects in that regard. However, I would point out that fortunately all three leaders of the political parties represented in this House are opposed to capital punishment and are on record as being opposed to capital punishment.

Mr. Munro (Esquimalt-Saanich): But not to a vote.

Mr. Robinson (Burnaby): That includes the present leader of the Conservative party, I am pleased to say.

I might also point out that while the Conservative party was in government it took absolutely no steps whatsoever in the direction suggested by my hon. friend. I am pleased to note that. I am pleased to note that the initiative my hon. friend appears to be putting forward was in no way seen as a priority by the government his party formed for a short period of time in this country.

Mr. Munro (Esquimalt-Saanich): I was number one on the list.

Mr. Robinson (Burnaby): I also point out that at this particular moment it is divisive, and it would be destructive to embark again on a lengthy parliamentary debate on this subject. More than 100 members of Parliament took part in the debate in 1976 on this subject. I suggest we should be getting on to far more important issues at this time, issues which affect the people of Canada such as those I referred to earlier, rather than spending valuable parliamentary and committee time debating this issue. This issue should be allowed to remain dead.

● (1740)

What are some of the concerns we have with this bill? My friend from Esquimalt-Saanich (Mr. Munro) said, and I certainly accept his statement, that he is not motivated by vengeance. He said he is motivated by deterrence. Surely there is some obligation on my friend to provide evidence that the measures he is proposing would in some way deter the crime of murder. No evidence has been submitted by my friend to suggest that if we stick needles in people and kill them, that will somehow deter the commission of the offence of murder.

If my friend is concerned about deterrence, rather than suggesting as he does in his bill that the method of execution would be by intravenous injection of sodium thiopentol, an anaesthetic which in sufficient dosage leads directly to unconsciousness and death, he should be proposing public hangings or perhaps public stonings which would have a far greater deterrent effect.

Why should we be sticking needles in people behind closed doors if we are concerned about deterrence? Rather, I suggest my friend should adopt the example of civilized countries such as Iran which have more open forums in which to stone and otherwise indicate their disapproval of various offences which are deemed to be capital in that country.

I would also point to some of the types of punishment which have been meted out in the past which have not in any way helped to deter the crime of murder and to some of the other crimes which have been capital offences in the past. In the past in countries such as the United Kingdom, the following have been used and have failed as deterrents. We have seen burning at the stake, boiling in oil and water, iron coffins, burying alive, breaking on the wheel, drawing and quartering, decapitation. My friend behind me says don't give them ideas, there might be another bill coming.

We have also seen impaling, hanging, crushing, flaying, shooting—maybe it should be retroactive—exposure to insects, poisoning, throwing to animals, stoning, drowning, torturing, electrocution, asphyxiation, crucifixion, mayhem, which is the amputation of one or both legs. All of these have been used in the past in an attempt to deter and all have failed.

Why should it be suggested by the hon. member for Esquimalt-Saanich that sticking a needle in somebody behind closed doors will deter someone from committing the various offences which he would make capital? If someone is contemplating cold-blooded murder, surely he will not say to himself, "Well, I only face 25 years behind bars, so that's no problem". The reality is that they do not think about the penalty. Most think that they are too smart to get caught or are acting in a moment in which their emotions are governing, and certainly they are not acting rationally.

There are a number of other concerns we have with this bill. For example, in no way will this lead to an improvement of our criminal justice system and to a reduction in the number of murders in Canada. Instead, we should be looking at a number of other more positive and constructive measures. We should be looking at better trained, better deployed and better equipped police. We should be looking at more effective gun control, particularly hand gun control; preventive, rather than reactive police work, and more effective correctional programs for juveniles and adults. The resources presently put into juvenile programs when dealing with juvenile delinquents are miserably inadequate. We should be improving them substantially.

We should be looking at more effective and economic programs to remove the causes of crime and improve treatment for alcoholics and drug addicts. In other words, we should be attempting to prevent murders in this country by

effective programs rather than dealing after the fact in a manner which will not in any way reduce the number of murders. As has been suggested by the hon. member for Ottawa Centre (Mr. Evans), that merely sets a bad example in which the state is emulating the very act which it is condemning. The state is merely repeating that act.

There are those who seek to glorify or make martyrs of themselves. If the crime of murder were punishable by death, this would contribute to those individuals who seek the glory; the Gary Gilmours of this world who seek the publicity and exposure they would get in such a case.

Recently in one of our newspapers there was a letter to the editor headlined "A standard of humanity". I draw this to the attention of all hon. members as being a very vivid and graphic example of one of the reasons why we believe on this side of the House that this bill is a mistake. This letter was written by the widow of Sir Christopher Ewart-Biggs, a former British ambassador to Dublin. The hon. member for Esquimalt-Saanich may be aware that Sir Christopher Ewart-Biggs was assassinated by the IRA. This letter was written by his widow, Lady Ewart-Biggs, following the assassination. I quote:

As capital punishment will be coming up soon for debate in the Commons, I am sure that some readers will welcome the use of your columns to express their views.

I would point out in explanation that the subject of capital punishment was recently debated in the U.K. Parliament. A motion in that Parliament to restore capital punishment was overwhelmingly defeated. The letter continues:

I look at this issue from a practical and moral viewpoint. Is hanging a deterrent to killing and is it morally defensible that the community should be empowered to decide on whether one of its members lives or dies?

Statistics convince me that the threat of execution does not deter the potential murderer. This leaves the moral standpoint. In my view it should be the responsibility of a civilized society to contain the destructive elements within it without resorting to similar methods. This whilst striving through social reform to eradicate the root causes of crime and violence. We must judge the criminal, condemn him, isolate him—but not emulate him.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the hon. member but the hon. member for Richmond-South Delta (Mr. Siddon) is rising on a point of order.

Mr. Siddon: Will the hon. member for Burnaby permit a question in view of the fact he is now speaking of morality?

Mr. Robinson (Burnaby): No, Mr. Speaker. I continue the letter:

On another aspect, and one which touches me deeply. It is felt that certain categories of murder justify the supreme penalty more than others. Murder through terrorist action is deemed one. Again, from both practical and moral viewpoints, this is to me indefensible. Society cannot degrade its own behaviour to match that of a terrorist.

It must, within the limitations imposed by a democratic state, wage continual war against the terrorist and strive to protect the community from his action.

I am convinced that the execution of a terrorist—thus making him a martyr—would infinitely enrich his cause. Many would rally with renewed vigour to fill his place. His supporters, sharing his contempt for human life, would in retaliation make further reprisals.

Surely the arguments which I have put forward can be shared by every sane, civilized, and compassionate human being.

As I say, that was written by the widow of Sir Christopher Ewart-Biggs, who was brutally assassinated by IRA terrorists. If any member of our community were in a position to wreak vengeance or in any way suggest that capital punishment is a deterrent, I suggest that a woman such as Lady Ewart-Biggs would have done so.

● (1750)

A former leader of the Conservative party, the late Right Hon. John G. Diefenbaker, had a story about the alleged deterrent effects of capital punishment. I should like to quote it because I know members of his party would be interested in this story, and I know that perhaps after hearing it they would want to change their views on this important subject. Mr. Diefenbaker said as follows:

My great-grandfather saw a boy hanged in Upper Canada for picking pockets in 1837. I think the boy was 17 years of age and everybody gathered for the public execution.

Those Scottish people in North York turned out in large numbers.

There was a great celebration, and during the ceremonies of the execution, four of them had their pockets picked, which just indicates the argument that the fear of capital punishment will greatly reduce the number of offences is not completely tenable, or indeed tenable at all.

That illustration, as I say, was from the distinguished lawyer and former leader of the Progressive Conservative Party.

There are other problems inherent in this bill and one of them is, of course, the fact that we have seen traditionally in this country, and in other countries, that the enforcement of capital punishment is very selective in nature. The reality is that it is not the rich who hang; in fact, it is the poor who hang. I would like to quote from a former warden of Sing Sing prison who has seen a lot of convicts come and go, Lewis E. James. He said as follows:

Not only does capital punishment fail in its justification—

That justification allegedly is deterrence.

—but no punishment could be invented with so many inherent defects.

It is an unequal punishment in the way it is applied to the rich and to the poor. The defendant of wealth and position never goes to the electric chair or to the gallows.

Juries do not intentionally favour the rich, the law is theoretically impartial, but the defendant with ample means is able to have his case presented with every favourable aspect, while the poor defendant often has a lawyer assigned by the court.

We have seen once again selective enforcement of the law, a law which obviously in its ramifications is very serious. We have also seen historically documented cases of errors made, of innocent people who have been executed by the state. Surely if members on this side of the House are concerned about the preservation of human life they would not want to bring into existence a punishment which has the possibility of taking innocent human lives.

I should like to point to a couple of examples. One is cited in the Ottawa *Citizen* of May 20, 1976 relating to a man who spent seven years in jail for a murder which, ultimately it became clear, he had not committed. Another person confessed to the murder and showed by conclusive proof that indeed he was the person who had committed the murder. Had

the condemned man been executed, it would have meant an innocent life taken.

In concluding let me say that this is an issue which touches many people in Canada and on which many organizations and individuals have genuine differences of view. I would like to close by quoting from one important organization in this country, the Canadian Catholic Conference of Bishops. That Canadian Catholic Conference of Bishops has resolved that it is in favour of the abolition of capital punishment in Canada. At the same time it urged the government to move to bring about the reforms which are required in our penitentiary system and in all areas of justice. I am pleased that the Catholic Church has taken such a courageous stand on this important question. I suggest at this time that to embark once again upon a divisive and destructive debate of this nature when there are so many other important issues facing the people of Canada would be a very serious mistake. Thank you, Mr. Speaker.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I can understand why members of the NDP get so disturbed about a resolution like this. It hits at their very conscience. They are quite in favour of murdering little babies that are unborn but they are very much against the death penalty for someone who kills a little girl, a child. I think that is the reason they are so disturbed.

I want to deal with some of the reasons—

Mr. Robinson (Burnaby): I rise on a point of order, Mr. Speaker. I must take exception to the remarks by my friend, the hon. member for Bow River (Mr. Taylor), and his statement that is completely without foundation. We are in no way in support of the murder of innocent children. I would ask the hon. member to withdraw that statement as being completely unfounded.

Mr. Taylor: Mr. Speaker, I have no intention of withdrawing it because the very member himself and one of his colleagues acted in favour of abortion during the last session. If he has changed his mind let him stand and refute his own statement.

Mr. Robinson (Burnaby): I rise on a point of order.

Mr. Taylor: Mr. Speaker, the hon. member took up a lot of time. Surely he can hear the other side of the argument.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member rises on a point of order. I am perfectly aware that a misunderstanding took place between two hon. members as to whether a reference was made to abortion or to the murder of young people. What is happening now is that we are having a debate between one member and the other as to what has or has not been said. I think the hon. member should be allowed to continue. There is relatively little time left, and unless the hon. member for Burnaby (Mr. Robinson) insists on pursuing his point of order, the hon. member should be allowed to continue. The hon. member has distinguished his previous statements, he has made the correction he wants made on the record. I will recognize him on a point of order but I would ask that the hon. member for Bow River be allowed to continue the debate.

Mr. Robinson (Burnaby): Mr. Speaker, I will be very brief, but I must insist that any suggestion that either myself as a member of Parliament or any of my colleagues in any way condone murder, however murder is applied—

The Acting Speaker (Mr. Blaker): Order, please. I took the trouble to advise the hon. member for Burnaby that this was not what was said. I heard perfectly clearly what was said by the hon. member for Bow River. I would suggest a reference to *Hansard* if that is necessary. What is taking place now is not a point of order but an argument over what has been said.

Mr. Taylor: Mr. Speaker, I believe in capital punishment, the death penalty, in the case of a murder of a human being that has been deliberately planned and carried out and the person is found guilty without any shadow of doubt.

When we are young we are punished if we do something wrong; if we do something even more wrong we are punished more severely, yet people today are saying that when we commit the ultimate crime of killing another human being we should not then receive the ultimate punishment.

I think capital punishment is a deterrent. It is utterly impossible to determine how many people were not killed because of the fear of death. The argument against that is rather void. In my view the fact that people fear death makes this a realistic deterrent.

The death penalty is an effective tool that pinpoints law and order. The abolitionists appear to have no objection to punishing a child for stealing or a grown-up for rape. Why then in the logical order of things do we not go the rest of the way and exact the death penalty for those who commit the worst possible crime, the killing of another human being?

Violent crime is becoming all too rampant across Canada. The elderly and women are afraid to walk outside after dark in some of our cities. Boys and girls are being murdered by animals, as I call them. We then put the convicted in jail, provide them with education, the best of TVs and food and we keep them there for the rest of their lives. One of these days all these criminals being kept in these prisons will get together and commit a terrible crime. Perhaps then people might realize that these criminals who have taken the lives of others have no right to live. We give too much consideration to the criminal. Let us give some consideration to those who are the sufferers, the victims of the criminals.

I would move, Mr. Speaker, that the question be now put.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I would like to say that we have to reflect on how valuable life is and how sacred it is. The sages of old have said "He who saves a life is as if he saved an entire world, and he who destroys a life is as if he destroyed an entire world". How tragic it is to see an innocent man die.

Capital Punishment

There are few countries in this world which enjoy the unique distinction Canada has enjoyed in having demonstrated its commitment to human rights, and in providing freedom for its people. It is a country to which men and women from all over the world have come in order to enjoy such freedom and rights. Both in Canada, as well as beyond its borders, we must continue to be vigilant in our concern for these rights and freedoms. We must not be just average, we must set an example, and our efforts must extend both to the rights of the individual as well as to the rights of the social group.

● (1800)

The overwhelming need for this concern is strikingly demonstrated by the case of Raoul Wallenberg, whose rights as an individual were totally denied him while he himself was engaged in protecting the human rights of others in Hungary. His case provides us with a fascinating and remarkable example, which stands as a warning about the dangers of government having the power of life and death in its hands. His is the case of an innocent man condemned to death.

Thirty-five years ago a young Swedish Christian diplomat named Raoul Wallenberg disappeared suddenly under the arrest of the Soviet secret police. It was a mystery because he had helped to save thousands from dying at the hands of the Nazis. Lost hero of the holocaust, a righteous gentile, an unsung war hero, saviour of Hungarian Jews, champion of the Jewish people—these are but a few of the tributes now being paid, worldwide, to Raoul Wallenberg.

During the past few months, some 35 years after that Swedish diplomat's disappearance behind the iron curtain, "Free Wallenberg" committees have sprung up all over the world. Articles, books, television programs and, most important of all, a recent documentary entitled "The Wallenberg Mystery"—

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the hon. member, but the hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

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

That the committee have power to sit during sittings and adjournments of the House of Commons;

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

That the committee submit their report not later than December 9, 1980;

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

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

The Acting Speaker (Mr. Blaker): Order, please. When the debate was interrupted at five o'clock, we were on government business, item no. 18, and the hon. member for Yorkton-Melville (Mr. Nystrom) had the floor.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I believe I had a few more minutes to go at five o'clock. I was talking about minority language rights when it came to education. But for a moment or two I should like to review what I said earlier. I started off by saying that this party thinks we have come to a time in history when we need a constitutional change in this country, and I said that later on in this debate other members would talk about the need for changes in a number of areas, one of them being changes with regard to our native Canadians, the original people, another one being the failure of the government to refer in this resolution to offshore resources. I spoke about the absolute necessity to have something in this resolution about resources. This is very important, not just to western Canada but indeed to all provinces in our country. Without the inclusion of resources, I want to make it very clear that I do not see this resolution supported by people in western Canada. That resource section is absolutely vital. I also said earlier that we have grave concerns about section 42

of the resolution. That is the part of the resolution where the federal Parliament can unilaterally hold a referendum on a constitutional matter in this country. Regardless of what a provincial legislature may do, regardless of whether or not in a provincial legislature all the parties are united in opposing a referendum, a referendum may be held and it may pass because the federal government is playing with loaded dice. They have control of the referendum question, they write the question, they determine the funds and they determine all the rules for that referendum. I find that to be highly unacceptable, as I said before the supper hour.

I also referred to the section on equalization and said that we agree in principle to equalization. But in the resolution before us today—and I wish hon. members would take a look at it—there is no reference at all to equalization payments. I find that absolutely disgusting and unacceptable. Under the formula, which only one province supported at the conference here a month ago, nine provinces argued for a different approach. I say we must change that to make sure that equalization payments are referred to and that a system such as the provinces want is included. There is a system that is talked about in here, one where the federal government can go over the heads of provincial governments and make payments directly to individuals in various provinces. That is not right and not fair and I find it very difficult to support that kind of approach.

The fourth point about which I was really concerned, and I was speaking about this in detail at five o'clock, arises in sections 20 and 23 dealing with official languages. As I said, in section 20 we are talking about the official languages as they pertain to the federal Parliament and to federal institutions. There is a reference here to the phrase "where numbers warrant", but it is the federal Parliament which is going to decide whether or not the numbers warrant it. But when one turns to section 23, one finds it talks about minority language educational rights and when we get to "where numbers warrant", all of a sudden there is a double standard and we see that it is not the provinces, with their control over education which will determine that, but it is the courts which will make that determination. I say this is not acceptable. It is not acceptable to have that double standard in federalism where, on the one hand, Parliament will make decisions which affect our institutions while, on the other hand, when it comes to the provinces, matters are left to the courts to decide.

I wanted to refer very briefly to a communiqué which the Prime Minister (Mr. Trudeau) is very fond of quoting. He quoted this communiqué last Thursday evening in the televised address to the people of this country. It is a February, 1978, communiqué from the premiers who met in Montreal when they spoke about language rights in education. They said:

> The premiers reaffirm their intention to make their best efforts to provide education to their English or French-speaking minorities, and in order to ensure appropriate levels of services, they also agree that the following principles should govern the availability of, as well as accessibility to, such services;
>
> (i) each child of the French-speaking or English-speaking minority is entitled to an education in his or her language in the primary or the secondary schools in each province wherever numbers warrant

That is what the Prime Minister refers to when he talks about all the premiers agreeing to this. But what he does not say is what is contained in the second part of the communiqué, which I think is very important. It reads:

> (ii) It is understood, due to exclusive jurisdiction of provincial governments in the field of education, and due also to wide cultural and demographic differences, that the implementation of the foregoing principle—

—which is "where numbers warrant"—

> —would be as defined by each province.

There is a very important difference here and I suggest to the Minister of Justice (Mr. Chrétien) that he accept that principle because there are demographic differences in this country from one province to the other. Education is under the exclusive authority of the provincial governments, and if we are going to have Parliament define "where numbers warrant" in the case of federal bilingualism, we should make sure the same rights reside with the provincial legislatures, that they define where numbers warrant.

Some hon. Members: Hear, hear!

• (2010)

Mr. Nystrom: I have a number of concerns about the resolution before us. I suppose I am airing those concerns as a warning to the government. A lot has been written about the fact that the government has widespread support among its people for what it is doing. But within that support I detect a great deal of apprehension about a number of things in the resolution. I detect a great deal of apprehension in western Canada, Quebec, Newfoundland and among the original peoples of this country, just to name a few. Because those apprehensions are there, I have made four or five points today—a number of further points will be made by my colleagues later.

I mentioned original peoples and offshore resources. Those apprehensions are there because of the process which occurred over the summer and the fact that the government failed to widen the negotiating process as was suggested by my leader and the leader of the Conservative party last June. Also, the apprehension is there because of the advertising campaign launched by the government at a cost of $6 million over the course of the summer. Also it is there because the budget of the unity information office has been increased from $9 million or $10 million to around $33 million. We wonder what is to come.

In conclusion I should like to make one more suggestion to the government. It was contained in a resolution passed by my party on September 7. It was supported by my leader, my caucus and the national council of the party. It was a bit of advice for the government concerning future constitutional negotiations which we hope will be ongoing. I should like to read part of the resolution. After the September 8 to September 12 conference we recommended the following:

> —that a new round of deliberations be started almost immediately and that the conference participants include multiparty delegations selected by Parliament and each of the provincial legislatures—

in addition, that the original peoples be given the right to direct representation and vote in the deliberations;

in addition, that multiparty delegations from the territories be given the right to direct representation and vote in the deliberations;

in addition, a delegation of women's organizations be given the right to direct representation and vote in the deliberations;

that a series of regional meetings be held by this group across Canada.

In effect this would bring the discussion on the constitution closer to the people of Canada. It is important to learn a few lessons from what has happened and to widen the negotiating process to include the government and the opposition here, the governments and the opposition parties of all legislatures, the legislatures of the two territories, the original peoples and women's organizations. In my opinion the constitution belongs to more than just 11 men. All the heads of government in this country happen to be men, and I am not sure that all the views of Canada with its divergent regions and people can be properly reflected in the process that has gone on until now.

I suggest to the government that we should broaden the process and that the process should be started as soon as possible. We should consider making serious changes to the resolution before us. We should dig out the repugnant section on the direct referendum to be organized solely and exclusively by the government. It strikes at the very essence of federalism. It can take away by referendum what has been given in a charter of rights in a time of emotional concern. We should entrench the philosophy of equalization payments so that there may be genuine equality of condition across the country. We should not have a double standard when it comes to federalism.

Sections 20 and 23 refer to the official languages, which is a very sensitive issue. If it is good enough for Parliament for us to define "where numbers warrant" concerning our institutions, programs and things we do, then surely in the name of equity, co-operative federalism and fairness, it is for the provinces to define "where numbers warrant" when it comes to education in minority languages rather than leaving it to the courts.

Finally changes are absolutely necessary in the area of resources so that there may be access to indirect taxation, concurrent powers with the provinces in international and interprovincial trade with federal paramountcy because it is international and interprovincial. There must be a clarification of resource ownership. I appeal to the government to seek such a consensus, to listen to all members of Parliament and indeed to some of its own backbenchers, some of whom are not happy at all with a number of matters in the resolution before us. I appeal to the government to listen to the people of Canada, the various provincial political parties both government and opposition from one coast to the other. If the government does this, perhaps it will be a very historic beginning, the beginning of a new Canada, not the end, or something which will turn out to be a very tragic nightmare.

I see the Minister of Justice (Mr. Chrétien) running out. I hope he heeds our words and makes some very serious changes to this resolution. If he does I assure him all Canada will applaud.

Some hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to be able to follow such a distinguished member of the House as the hon. member for Yorkton-Melville (Mr. Nystrom), particularly after the remarks he made in closing when he indicated how important he thought it was to the country and its people that this Parliament be the focal point for this debate.

There is a certain moment in each decade and generation when events begin to converge and Parliament becomes the centre of the nation. In the past many commentators have assessed that Parliament is no longer the power it once was, that it is the executive, the cabinet, which is the centre of influence. Some have even suggested that there is a new level of government in Canada called the federal-provincial conference which makes the real decisions about how we are to be governed. I believe this debate once again shows how relevant and valuable an institution Parliament is. I for one am very glad that the debate has finally come to its proper home. The debate about the constitutional laws of this country is now outside the arena of the federal-provincial conference and in an arena where the full range of opinions and views in all regions can be heard, expressed, debated and discussed.

In the end, this is the place where the choice should be made. It should not be made around a table by 11 people who, though they represent regions, do not in any way represent the full range of opinions and views withtin those regions. As one of the western members on the government benches, I think it is very important that I express this other point of view which I, together with hundreds of thousands of western Canadians believe, was not expressed at the federal-provincial conference last September.

Some hon. Members: Hear, hear!

Mr. Axworthy: No one representing the provinces around that table whether it was Mr. Lougheed, Mr. Blakeney, Mr. Lyon or Mr. Bennett, spoke for the kind of political traditions and concerns which many of us from the west feel. I am not saying there are not others in this House who would not agree with the Lougheeds, the Bennetts and the Lyons, because we have already heard from the Leader of the Opposition (Mr. Clark) that he is basically taking the position of the provincial premiers. He spoke at great length about the Trojan horse. Well, Mr. Speaker, he is a horse of another colour. He is a stalking horse for the provincial premiers and he is simply representing their point of view once again, which is legitimate enough, there is no problem with that. It does mean we should be very careful and very cautious that we do not assume it is the only point of view which is being heard or expressed in the west, because there are many westerners who believe there is a need for a strong central government, that there is a need for a bill of rights, there is a need for repatriating the constitution, and they want action now. That was not a voice which was being heard at the conference or has yet been heard by members of the Conservative party in this House. In fact, what has really been heard is more the Cassandra-like wails of

woe-betide-the-country, that this will devour the nation, that this will be the downfall of Canadian democracy. There are times, listening to the Leader of the Opposition, when I am reminded of the character in the Woody Allen movie who said: "We stand at the crossroads; on the one hand there is total extinction and on the other utter annihilation." Not much of a choice. The danger we have to be fearful of here is not this resolution. The real danger we have to watch out for is the fearmongers in this country who are attempting to use this resolution and this initiative as a way of raising fears and alarms throughout Canada and creating their own divisiveness with those tactics alone. A concern to our caucus and a concern to us in the west is that somehow the rest of Canadians will take as the representatives of the west those provincial premiers who have their own objectives, legitimate as they may be, for fighting for their own continuation in the power game they have been playing for decades. We should not assume that this is the full range of points of view coming from my region of the country because they do not speak for the hon. member for St. Boniface (Mr. Bockstael), the hon. member for Winnipeg North Centre (Mr. Knowles) or for many of the members in the New Democratic Party. Yet that was the only point of view being heard at the conference and that is why it is critical at this time, in this Parliament, that we have the opportunity to hear from people with all ranges of points of view.

● (2020)

It is important to dispel some of the myths which have been perpetrated about what this resolution really means. The first was the one that was parlayed in this House last night and is being heard across the land. Mr. Lougheed talks of total war and the Leader of the Opposition was expressing that this was the final moment, this was the Armageddon, that he was concerned that somehow the country was going to break into pieces, that somehow the federal government, with this resolution, is involved in some dark conspiracy to fundamentally change the framework of Canada. It is like the Lyon approach which says that we are on the slippery slide of republicanism. The fact of the matter is we have to look at what the resolution is really all about, what are the elements of this grand conspiracy about which Mr. Lyon, the Leader of the Opposition and others are beating the drums of fear across the nation. Well, we are talking about bringing the constitution back to Canada. That is really a radical and extreme measure—that the country wants to have its own constitution. Now, isn't that an awful thing to consider, Mr. Speaker, that we may want the power to amend our own constitution? But then they say: Look, how you are going to amend it; you are going to have a referendum. That is how section 42 has somehow been raised as the great bogeyman of this constitutional debate. They somehow found something in the resolution that expresses in some way the deep, dark conspiracy of the Liberal party to destroy Canada in section 42. What was it really all about, Mr. Speaker? It simply said that somehow we are denying the rights of the provinces. Well, then, they haven't read section 42 very carefully. What we have said in this resolution is that the provinces have a full and equal chance to present a new amending formula—

Mr. Andre: What about section 42?

Mr. Axworthy: —and we can negotiate that. And if they don't like that, they can have the Victoria formula. The provinces have full and equal rights, Mr. Speaker. Then, we say if they cannot agree to that, we must go to a referendum. So they are saying they don't trust us. But, after all, section 42 requires a debate in this House. Well, what we are saying is that obviously the members of the Conservative party are expressing a deep mistrust of the procedures and processes of Parliament itself. This is an unusual thought for me because I have always believed they were the guardians and defenders of the parliamentary system. I have heard them defend this. They don't want a bill of rights because they have said they can depend on Parliament, but when it comes to the Magna Carta they cannot depend upon Parliament. They cannot have it both ways. Either you believe in Parliament or you do not believe in Parliament. You cannot believe in Parliament on the question of amendment but not believe it on the bill of rights. So they should get their act straight and decide whether they do believe in Parliament and on what issues.

Mr. Andre: We don't believe in a dictatorship!

Mr. Axworthy: That is part of the other conspiracy. Somehow they have refined the art of character assassination, somehow this is a deep, evil plot by the Prime Minister of this country, something he has been hatching over the years—

Mr. Andre: That is it.

Mr. Axworthy: That is the myth. That is the great Tory lie in this country. That is the great Tory mythology which they have spread up and down this country. Why? Because they cannot use logic, they cannot use reason, they cannot use rationality. So what do they use? They use personality assassination. That is the nature of their attack. It is an interesting comment, you can always tell when the other side does not have an argument because that is when they start picking on people. It goes right back to schoolyard politics and battles. If you really do not have a basis of reason and rationality, what do you do? You pick on the person. We have found out that this art has been developed to a fine form by members over there, because they do not have much reason, much rationality or logic in their position.

Thus we hear the Premier of Manitoba and other members from the opposition saying that a bill of rights is unCanadian, that a bill of rights is really going to destroy the fundamental traditions of our country, that we should adhere to the British system of common law. I am sure hon. members would be interested in the September 22 copy of the *Manchester Guardian* I have here. It says Lord Hailsham and Sir Keith Joseph and all the members of the Margaret Thatcher government are doing two things: one, they are considering a new charter of rights for the British Parliament and, two, they have just ratified the European Convention of Human Rights. I

have known that Margaret Thatcher and her government have been held up as paragons of excellence by members opposite. I would suggest they read what their counterparts in Great Britain are talking about. Why? Because even the Thatcher government recognizes and understands that when the country becomes complex and pluralistic there must be some fundamental set of rights as a standard by which people can determine what their guarantees and protections are.

Some hon. Members: Hear, hear!

Mr. Axworthy: They say the bill of rights is something which is foreign to our traditions because we are afraid of the courts; we cannot go to the courts. They say we should depend on the legislatures.

An hon. Member: They are unreliable.

Mr. Axworthy: Maybe they are unreliable but we use them every day. What about the Bliss case, the Lavallee case and the Drybones case, all the cases being judged by our courts every single day dealing with questions of human rights? The weakness in their argument is that there is not a bill of rights upon which the courts can properly decide. The Canadian Bill of Rights which was passed in this House in the early sixties is not strong enough and the Supreme Court decisions have said that they need further guidance from this Parliament on the constitution in order to establish a common standard of rights across Canada. That is why we do need a bill of rights—not only to make sure there is an evenness and equality in those opportunities and rights, but it is also needed to set directions for the courts in the decisions they are making every single day dealing with matters of human rights in this country. There is nothing untraditional or uncommon about the courts dealing in these matters.

Then we come to the argument that I have heard Mr. Lyon use. He says we should trust the legislatures, trust the legislature of Manitoba. But I ask you, Mr. Speaker, did George Forrest trust the legislature of Manitoba to get his rights as a French-speaking Manitoban guaranteed? No. He had to go to traffic court to get his rights guaranteed. I was a member of that legislature for several years and I was there when a resolution was initiated by our party, and rejected by the other parties, trying to establish some basic fundamental rights.

● (2030)

The legislature of Manitoba spoke so well to the issue of linguistic rights in that province, that Mr. Forrest had to go to a traffic court to have his rights protected because our legislature was not prepared to deal with these rights.

Mr. Andre: How about Peter Treu's treatment by your party?

Mr. Axworthy: The large voice from the other side, he has the point—that you do not trust any party or any majority. That is why we need the entrenchment of a charter of rights which cannot be touched by the ephemeral decisions of a majority. It does not matter what party is in power in which legislature. This is why we need a fundamental charter.

Mr. Andre: Why a referendum if the majority of decisions are ephemeral? Be logical. You can't have it both ways.

Mr. Axworthy: That is exactly what we said, but the member from Calgary, according to his past history, wants it all ways and usually gets it that way too.

Mr. Andre: If you are going to lecture about logic, I suggest you listen to your own rhetoric.

Mr. Axworthy: There are many people in western Canada who feel, because we are the most multicultural society and the most pluralistic region in the country, that it is absolutely essential that we have a bill of rights. This fact has not been expressed by western members or western premiers. In fact there is an increase in discrimination against the new ethnic groups moving into the west. In a recent study by a social scientist from Alberta, of all places, it was shown that discrimination was on the increase during the 1970s and that ethnic groups themselves are far more concerned about such fundamental protection, protection which they want.

So there are many people in the west who want a bill of rights. There are many people in western Canada who feel it is important that it be entrenched in the constitution. They do not buy the great conspiracy theory which says that somehow it is all unparliamentary or unCanadian to include such a charter of rights in our constitution. In fact they feel it is the best way of enhancing our fundamental freedoms, rights and liberties, and they are prepared when the chips come down to back us on this particular issue.

Let us deal with another one of the great myths about which I have heard the provincial premiers and their spokesmen in this House, the Leader of the Opposition, talk, that somehow this is all a federal plot to pick on those poor, weak, defenceless provinces of the west, those poor provinces which are struggling to survive. That just does not conform to reality because the fact of the matter is that for the last ten or 15 years of this confederation powers have been devolving rapidly to the provinces and the fact of the matter is that the provinces have by far the largest expenditures from the public purse. They make close to 50 per cent of the public expenditures in this country, 15 per cent more than what is spent by the federal government. If those trends continue, the ratio will be 75/25 in ten years' time.

The provinces are not defenceless and weak, but in fact are very powerful. At the present moment, our federation is probably the weakest and most decentralized of any federal system in the world. The reality we must face is that if we intend to manage and deal with the conditions and issues we must face in this decade, then we need a far more effective central government to provide that effective management and growth.

The fact of the matter is these powerful provincial premiers do not want change. Of course they do not want change. They want the status quo, because they have the chips on their side.

Why would they deal away a winning hand. What we are talking about, of course, is a power play or a power game being played by the provincial premiers and, of course, they will stand up on their hind legs and rear because they do not want to share any of their powers. It is far more important to them in their political mandates to amass more power and more influence. The question arises, though, whether this is good for the country. Is this really what is necessary at the present time having regard to the problems and conditions that we will face in this decade?

I am here as a western Canadian saying, "No, it is not what we need". If we allow devolution to continue and decentralization to take place, then we as western Canadians will have given away one of the great opportunities in this country to help our region grow. The fundamental assumption which is being made by members of both the Conservative party and the New Democratic Party is that it is only the provinces which can manage this new growth in western Canada, that it is only the provinces and provincial jurisdictions which should be the managers of the new wealth.

Mr. Malone: Who said that?

Mr. Axworthy: You have all been saying that.

Mr. Malone: Name one person.

Mr. Axworthy: I do not have time to name all of you. The fact is that we did offer concessions to the provinces. This seems to have been conveniently forgotten among the hysteria and exaggeration implying that somehow there is a Liberal conspiracy to destroy the provinces. I saw the list of concessions which was assembled for the constitutional conference. We were prepared to share the powers of taxation with the provinces on resources. We were prepared to share interprovincial trade and powers over communications and fisheries. Where was the conspiracy against the provinces in those concessions?

However, Mr. Speaker, if one looks at the other side of the ledger at what those generous, open-hearted visionary provinces were offering, it adds up to one big goose egg. They were playing the game of "heads I win, tails you lose". It was a classic no-bargain, no-win game. The federal government would have betrayed its fundamental mandate if we had even listened to that kind of blackmail. We went into those conferences with all the right intentions to bargain and to share and to deal with the provinces, but we did not get anything in return.

What we must really examine at this point, because I believe it is important to the debate, is really what kind of federal state is necessary to take advantage and develop the new-found opportunities of western Canada. There has been historically and is a strong and abiding role for the federal government, but this has been conveniently forgotten by hon. members opposite. When the prairies were in trouble during the depression, it was the federal government which moved in with the wheat board, the PFRA and other kinds of grain acts. It was the federal government which used its declaratory powers to bring in the Wheat Board in order to protect the western farmer. Those are the very powers we are being asked to give away at the present time.

It embarrasses me at times to hear the kind of expressions which come from certain western politicians, including the premier of my province, who has no business saying what he says because we are a have-not province. We need equalization, not him saying, "Now that we have ours, we are going to keep it". Suddenly equalization, which was one of the basic touchstones for western Canada for many years, can be conveniently forgotten because we have discovered a big pool of oil and gas below our soil.

This kind of spirit in western Canada is not the kind of traditional spirit of which I feel a part. It may be the tradition which has been there historically, a kind of New Englander approach—how to shrink your horizons, in your dimensions and draw yourself into a fetal position for utmost protection. That is not the only point of view that is being heard in the west. There are many westerners who say they would like to share and the only vehicle and mechanism for that sharing is the federal government. That sharing must be in our interest as westerners as well as in the interests of the entire country.

In the next decade we will go through an amazing growth in the west. We will be putting billions of dollars into railroads, water systems, research and development and industrialization. By their nature there must be some degree of cross-regional management in these areas.

Mr. Lambert: Oh, oh!

Mr. Axworthy: I hear a harrumph from the hon. member for Edmonton West (Mr. Lambert). I am glad he has finally come awake in this debate. The fact is we must recognize the realities, not dreams and fantasies. Let me use an example from my own department.

Mr. Lambert: You would not dare make that speech in Winnipeg.

Mr. Axworthy: I have made that speech in Winnipeg five times in the past two weeks. I am going to the hon. member's province on Thursday to make it again, and he is invited to come. In fact, I will be glad to accept an invitation from the hon. member to speak at his next riding association meeting. They might find it educational.

• (2040)

Let us look at one dimension that concerns my ministerial responsibilities, namely, the enormous movement of people, both within and outside the region in western Canada. We are talking about the need to develop 30,000 or 40,000 skilled jobs per year for western Canada. We are talking about training hundreds of thousands of people over the next decade to do the work that is necessary to ensure the growth of the west. We are talking about trying to make sure that this enormous employment opportunity is available to the native people of western Canada and to women in this country. We are talking about using the enormous growth potential that exists.

When I start negotiating how to provide these skills and this training I find, increasingly, provincial barriers to the movement of labour or certification laws which provide that people cannot work in a certain place because they do not have a white piece of paper—their paper is not the right colour. When we try to sign training agreements with industries in western Canada, right away the provincial governments say we cannot have training agreements with their industries. When we talk about introducing affirmative action programs to make sure there is equal opportunity for native people, the provincial governments tell us they do not believe in affirmative action. They claim there is no inequality in their provinces and they do not have affirmative actions, and therefore the agreement cannot be signed.

Our capacity and ability to provide some degree of management of the human resources which are absolutely essential for the development of the west, are being hindered and handicapped by the increasing growth of provincial barriers to the mobility and movement of people. They are being hindered and handicapped by the increasing number of labour laws and provincial human rights codes which prevent federal activity providing those skills and opportunities. We cannot build the west with those kinds of barriers, Mr. Speaker. We cannot fulfil our destiny unless there is some jurisdiction that provides comprehensive management. The people must come from somewhere. They cannot come from under the ground like the oil and gas. They must come from other parts of Canada or from offshore and someone has to manage that movement. That is one of the great tasks of our time.

An hon. Member: Oh, oh!

Mr. Axworthy: The hon. member opposite does not have to believe that. He can stay on his couch. He can hide his head in the sand, that is his prerogative, but it happens to be the reality about the new western fact that there is going to be a tremendous movement of people which somehow must be managed with some degree of care and concern. The federal government is doing it right now because the provinces are not prepared to or are not in a position to.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Axworthy: Let us now talk about resource management—all right, we will cut off all the grants in your provinces and see how much they are going to react in Ottawa! If you think it is a big handicap, we will see. We will call your bluff on that one.

Let us talk about resource management. We hear a great deal about the provincial premiers and how they want to make sure they can manage the oil and gas and the coal and the electricity. What we do not hear about them is how they are going to manage the forests or the farms in those areas. It is a fact that the condition of the soil in the west is deteriorating every year and that there is no reforestation being done in western Canada. Those resources are under provincial management and lie within their jurisdiction. Somehow they have forgotten about resource management. Why? Because there are not as many bucks in those areas as there are in others. What is happening now is that every day coal is being mined. The Minister of DREE and the minister responsible for forestry have applications on their desks asking them to look after the fisheries or the forests or the farms. When they get into trouble they know where the first hand is out—it is the provincial hand out for the federal purse.

That is the way federalism should work, Mr. Speaker. We must recognize, however, that in order to provide that kind of management and control, we need to share in some of the revenues from those resources. We simply cannot be drawing purely upon a tax base which is static and that is a part of what the debate is about. That is why we have to work at changing the rules and why we have to ensure that there is at least an equal sharing of powers over the resources of this country. There is no ambition whatsoever to intervene in existing powers over resources. There is not a line in the resolution that says we are going to take resource powers away from the provinces.

The Leader of the New Democratic Party (Mr. Broadbent) made a revelation on Monday. We were very pleased with his constructive comments but he said we forgot the whole question of the provision of powers over resources. We did not forget it, Mr. Speaker; we altered it. We altered it at the conference. It was not forgotten; it was there on the table for the provinces to pick up. They did not pick it up, however, Mr. Speaker. We offered to provide some of our share.

An hon. Member: Oh, oh!

Mr. Axworthy: The hon. member should have opened up earlier. We feel that the issue on the division of powers should still be discussed and debated and negotiated.

There is no point getting into that debate, however, until we have in this Parliament and in our own hands the ability to make changes to our constitution. The history of constitutional change in Canada has been that every time we reach a consensus or agreement and are ready to make a change, we do not have the lever because it is in England. By the time we figure out how to get it, the consensus has changed.

Mr. Kempling: Go back and read history.

Mr. Axworthy: We also consider a debate on resources to be an important debate. it is something that should be looked at as part of constitutional change. It is a critical item in terms of where we go in this country and it is something we have to put in place in this constitution. But other things must come first. We must obtain the power to make the amendments in our own constitution so that when some of those provincial governments change—as the government of Manitoba will change next year and the government of British Columbia the year after and several others—we may get a more progressive point of view from those provinces, allowing us to get back into serious, sharing negotiations. Then we can bring about the

changes we need because we will have the power in Canada to make those changes when we need them.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Edmonton South (Mr. Roche) on a point of order.

Mr. Roche: Mr. Speaker, I thought the hon. member had finished his peroration. I wanted to ask him a question.

Mr. Axworthy: Mr. Speaker, I shall be very pleased indeed to answer the hon. member's question.

I think we have seen that a number of myths have been perpetrated and a number of fantasies have been spread around this House and other places about what the west really wants. I think it is time we dispelled those myths and realized there is just as much a commitment among western Canadians to the position stated in this resolution as there is in other regions of Canada.

Evidence of this is supplied to me daily from western Canada. Just this week someone told me he did not realize how much of a federalist he was until he heard the premiers speak. Westerners are really saying that they are prepared to make the federalist choice—to make a choice in terms of what they see as a necessity for their own region to develop through strong, effective, central government and to use that strong, effective, central government to provide some degree of sharing of its resources and its opportunities with other Canadians.

There are also westerners who have not given up on the ideal of equalization. They still believe this country is based upon the notion of equality of opportunity and they are not prepared to abandon that.

An hon. Member: Oh, oh!

Mr. Axworthy: Hon. members opposite say that is not so, Mr. Speaker. I do not know what conference they were watching in September. If there is all the agreement with equalization and bills of rights and repatriation that hon. members opposite have indicated, why are they opposing this resolution? If there is all that agreement, then why are they opposing it? Do they have principles or do they not? Do they believe in what they say or do they not? If they say they agree with all those items, then why do we do not have the vote tonight, get the resolution passed and go to England as soon as possible? What are we waiting for, if there is this consensus and agreement? Are they simply interested in using this debate for some degree of political posturing?

I suspect there is no problem of unity in Canada, Mr. Speaker. But there is a problem of unity in the Tory caucus. They do not know what they believe in and they do not know where they belong, because there is no agreement among members of that caucus. Their only tactic is to attack. Let them state what they believe in. I would be very interested in hearing them. What kind of constitution do they want? They have been very good at saying what they are against, but what are they for?

There is a line in the play "The Rainmaker". When the evangelical preacher is on his feet holding forth, someone tells him he is so busy being right, he forgets what is good. I suggest that hon. members opposite are so busy being right that they forget what is good for this country.

• (2050)

Finally, it comes down to the fact that this is not a debate between the federal government and the provincial governments. Governments are simply a means to an end. They are simply mechanisms for achieving goals and values for people. They are simply a way of trying to provide basic values for what we want to achieve in this country. Rather than degrading this debate into a great federal-provincial clash, what we should be talking about is what it means for the individuals of this country. What does it mean for people in this country? What will this resolution do for women who have been denied their rights for many, many years in this country? How will the entrenchment of a bill of rights make sure that when they go to court to get equality or when they try to get a proper definition of their rights before the courts they will have some protection under the law?

What does it mean for individuals in this country who want to make sure they can work wherever they live, because they are Canadian, and are not disbarred from working simply because they do not happen to be an inhabitant of one province or another. There are many people who want to see in our constitution not some abstract piece of theory, not something politicians just talk about, but the real nuts and bolts of their daily lives. It means restructuring our foundations so that we will have the powers to begin to provide for the effective management and growth of our economy.

There was an interesting sort of trio who all agreed that the federal government at the present time does not have enough power nor does it have the levers required to do the job it has to do, namely, the economic council, Joe Clark and Jacques Parizeau. None of those can be considered to be a Liberal adherent, from what I can tell, yet they all agreed the federal government at this point does not have the ability to govern and manage in the way it should. I agree with those statements and that is why we need to go back to some fundamentals as to how we change our constitution. I think, Mr. Speaker, we should ask that question about what kind of government can best serve the demands and needs and necessities of Canadians over the next several decades and get away from the picayune technicalities, which we can deal with in committee, and come back to some fundamental questions on the principles of constitutional change. If we can do so, I think this Parliament will have served very well its purpose of helping this country to make a choice about how it is going to govern itself in the future, and how it will provide a framework of government to give it the ability to be the kind of country we all want it to be.

Mr. Roche: Mr. Speaker, I would like to ask the minister a question. He built his case on the need for an entrenchment of a charter of rights around the report of what he called an Alberta social scientist who produced a study showing that

western ethnic minorities are clamouring for a charter of rights for their protection. First, I want to ask the minister what is the name of that Alberta social scientist? What is the evidence adduced that minorities in western Canada feel they need this charter of rights for their protection? Second, does the minister recognize that the reason for the growth of alienation in western Canada, growing into such organizations as the western federation, is precisely because of the intransigence and unilateralism of the federal government, as shown precisely in this resolution?

An hon. Member: That is a speech.

Mr. Axworthy: Mr. Speaker, I will be very glad to provide the hon. member or any other member, with a copy of the article which appeared in a journal called "Race" about two years ago.

As for the hon. member's second question, I think his assumptions are somewhat specious. I think the reasons many of the ethnic groups feel the need for a bill of rights is because they feel discriminated against. That discrimination can be solved by the bill of rights we are proposing.

Mr. Mayer: Mr. Speaker, I am sure the minister who has just finished speaking would not want to deliberately leave the House, and although he is from Winnipeg and the Wheat Board is centred there, I am sure if he does some research and checks into it he will find that the Wheat Board was not set up as a result of the federal government using declaratory powers.

Mr. Roche: Mr. Speaker, I asked the minister a very straightforward question.

Mr. Collenette: Go into committee and ask these questions.

Mr. Roche: He used the phrase "Alberta social scientist." He built his argument around it. I am simply asking him the name of the Alberta social scientist.

The Acting Speaker (Mr. Blaker): Order, please. As the hon. member will recognize, the practice on occasion of asking questions at the end of another member's speech is tolerated, if I can put it that way. It is, of course, done at the option of the hon. member, in this case the minister, who has the floor. Normally the Chair will allow a question once, perhaps twice. That seems to be a courtesy which is extended both to the person who had the floor and the questioner. But I think the point has been made and perhaps we might go ahead.

Is there another hon. member who is seeking the floor on a point of order?

Mr. Anguish: Mr. Speaker, I represent The Battlefords-Meadow Lake constituency. I would like clarification from the minister about something which arose from a comment in a speech he just made. He mentioned that part of the commitment to western Canada would be the extent of dollars that would be spent on the railway system. I would like to bring to the minister's attention a situation that happened in our constituency—

The Acting Speaker (Mr. Blaker): Order, please. I have just attempted to explain to hon. members that in a situation where a minister or a member is finishing his speech there are times when with the agreement of the hon. member who wants to raise a question and the agreement of a member who has been speaking, the Chair has permitted that kind of an exchange. It should also be noted that it has never been done beyond the time limit of the individual member who had the floor. I did not make that point clear earlier with respect to the hon. member for Edmonton South (Mr. Roche) when he rose. However, I must point out that in accordance with the rules of the House the time given to the minister for his speech has now expired, and it is appropriate to move on to the next hon. member who seeks the floor.

The hon. member for The Battlefords-Meadow Lake on a point of order.

Mr. Anguish: Mr. Speaker, I would ask for the unanimous consent of the House. I have a question that is very pressing and urgent arising from the minister's presentation.

Some hon. Members: Order!

An hon. Member: Ask it in question period tomorrow.

The Acting Speaker (Mr. Blaker): Order, please. It is simply irrelevant whether the hon. member thinks his question is the most important since creation. I cannot allow it under the Standing Orders of the House of Commons.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I must admit that this debate is of great interest and significance. I wish to contribute to the discussion and I would like to refer immediately to the previous speaker, the Minister of Employment and Immigration (Mr. Axworthy), who told us about the co-operation shown by the federal government and the role that it must play within Canada. We do not object to the federal government taking part in the development of economic projects in the west and in the other provinces. There is no problem about that. However, he seemed to forget one most basic fact which is to speak about the provinces. Of course, this proposed resolution could lead to very interesting discussions about principles, rights, and so on. And in addition, there is another issue of which we are all aware, that of the patriation of the constitution. We have nothing against patriation as such except to the extent that we want to respect the federal structure and the two levels of government and that we shall never allow this government to go over the head of the provinces. This is very clear in our minds.

An hon. Member: Speak louder.

An hon. Member: What did you do in Quebec for 40 years?

Mr. La Salle: This afternoon, I heard the Minister of Regional Economic Expansion (Mr. De Bané) play a very different tune since the time he signed the minority report on

the constitution seven or eight years ago. Of course, he is now a minister. He spoke for instance of his deep concern for Francophones outside Quebec, and I remember that not so long ago, this same government and this same minister refused the Fédération des Francophones Hors Québec, a mechanism which they suggested to us when we were in power. Within a few weeks, we had accepted this mechanism through which the Fédération des Francophones Hors Québec would be able to take part in the development of policies which could affect them. The present government rejected this mechanism offhandedly and still refuses to provide the federation with sufficient funds to maintain proper offices to do its own propaganda, in a manner of speaking. The minister spoke about his interest in Francophones outside Quebec, but he omitted to tell the people about this decision which goes against Francophones outside Quebec and about this delay which is unfair for these Francophones.

An hon. Member: What have you done in Quebec? Nothing!

An hon. Member: Where were you?

Mr. La Salle: I shall tell you where I was later.

An hon. Member: It is easy to see that winter is coming in Quebec.

Mr. La Salle: Mr. Speaker, it is the first time that we hear them; let them release their frustrations. Mr. Speaker, we are certainly going to hear this evening a voice from Quebec, but it will be a very different voice from that of the Liberals on the other side. We shall hear things said by someone who speaks on behalf of thousands of Quebeckers because those hon. members opposite do not do so. Of course, we shall hear comments which I hope will also be heard by thousands of Canadians. And I would certainly not want, especially during this debate, to give Canadians the impression that 74 out of 75 members think the same.

Under the circumstances, I shall of course speak on behalf of the provincial party leaders in Quebec. Our friends opposite have not spoken about the position of Mr. Le Moignan, Mr. Ryan and Mr. Lévesque. Just as was the case concerning the sales tax, the National Assembly opposes unanimously the proposed resolution.

An hon. Member: Get yourself elected to the National Assembly!

Mr. La Salle: What I have just said cannot be denied.

• (2100)

I could not refer to the comments made by my friends opposite, completely subjugated as they are by a man who has an artificial vision of Canada and who tries to sell us an artificial Canada, I mean the Prime Minister (Mr. Trudeau). From the Minister of Justice (Mr. Chrétien)—I will come back later to the Minister of Transport (Mr. Pepin)—to all the others, they are a group of sheep hiding behind the Prime Minister about a vision that he has had in mind for years and I shall speak mostly about him because it is not the Liberal party that presented a resolution, that invented that resolution but a man determined to find an acceptable solution with the provinces.

An hon. Member: What is the word?

Mr. La Salle: And I will prove it. We have been complaining for 53 years. I was listening to Liberal members. In the last 53 years we have not succeeded in finding a solution with the provinces. Let us go back over the last 15 years when the present Prime Minister promised to amend our constitution when he came to Ottawa with two other doves that have flown to gentler climes. And 15 years later he has yet to succeed in reaching agreement with the provinces. Considering the spirit of the constitution and the fact that he almost dreamed up the present failure himself what allows him to think that he can act unilaterally?

An hon. Member: No right!

Mr. La Salle: No right, but the Prime Minister demonstrates that after 15 years of efforts his idea has failed completely and he cannot reach an agreement with the provinces. Perhaps we ought to wonder whether we should change the premiers or the Prime Minister of Canada himself.

An hon. Member: Change the Prime Minister.

Mr. La Salle: So, Mr. Speaker, I come back to that man, as I said I cannot talk about the Liberal party because they are behind him, they are subjugated by him and it is not the philosophy of the Liberal party, never has a Liberal delegation given a mandate to a prime minister on such a vision, it is his own. Ten years ago, Mr. Speaker, while bombs were blowing up here and there in Quebec, Pierre Laporte was murdered by young terrorists who considered themselves above the law and tried to force upon us their own political ideal. Today, in October, 1980, under the pretence of a quite artificial urgency, a 60-year-old Quebecker, the Prime Minister of Canada, declares himself an absolute ruler and tries to go beyond the constitution which gives us a political tradition. He hides a time bomb right in the heart of the country and gets ready to murder the Canadian federation, this marvellous achievement of the political genius of our fathers.

When the hon. member for I do not know what constituency tells me that he was not elected by 200 votes, I, for one, was not elected on the coat-tails of the Prime Minister, for instance. You will understand that as a Canadian and as a Quebecker, I cannot agree with such an initiative. Therefore, I am prepared to keep fighting, Mr. Speaker, against this bid for power which would lead, should it succeed, to the disruption of

Canada and to the end of the political system which we have had since 1867.

It is not enough for this Prime Minister to have ruined the Canadian economy, Mr. Speaker, to have dangerously reduced the value of the Canadian dollar, to have piled up huge budgetary deficits and threatened our balance of payments, it is not enough for him to have brought unemployment to millions of Canadians, fuelled permanent galloping inflation and increased disparities between various regions of this country. So many disasters have not yet satisfied this monstrous egocentric.

Now, he has to set Canadians against themselves. Now, he has to undermine the very constitutional structure of this country. He has to destroy what was its strength and harmony, namely, the presence of two levels of sovereign governments in their respective jurisdictions. He also has to deny the original duality of Canadian society. He has to burden the whole country with an economic autocracy whose weight is only equalled by its administrative incompetence.

The natural tensions between regions and groups so diverse are not enough. He has to have open war with the provinces. He has to crush all those who do not dare think like him. As to the members of his party, they have been crushed for a long time. He has to challenge all those who refuse to share his dream of centralizing hegemony and level out the cultural originalities that had been up till now a source of pride for Canada, what was its strength and guaranteed its social balance. To justify the rape of the constitution and our political traditions, the Prime Minister points to the failure of the last conference of heads of government. He is the only one to say there was no progress and chances for agreement in a not too distant future are inexistent.

Most participants at the conference said they had moved much closer on several points and compromises were still possible with renewed discussions and good faith on all sides.

That feeling was also shared by most newspapers and Canadian and even foreign commentators. At the same time, politicians and observers warned the Prime Minister of Canada not to try to go ahead anyway, even on the unilateral patriation of the constitution. But the Prime Minister turned a deaf ear, even to Mr. Ryan in Quebec. He persists, in spite of the recent progress made in talking about a definitive failure, not because there is no more hope for agreement but because he and he alone, Mr. Speaker, wants to regard it as a failure.

And this he has orchestrated for his own personal reasons and because he is anxious to get out of politics, as everyone knows. The Prime Minister wittingly engineered the scenario of the last conference and he astutely manoeuvred so the apparent results would be nil, so he could feel justified in referring to such a failure to better sell to the public his unilateral patriation proposal.

There is no need to recall here the confidential memoranda prepared by officials in his office, the existence of which we learned thanks to providential leaks. Clearly the Prime Minister wanted a failure.

No doubt he would have been most unhappy had the Premiers acquiesced to his requirements, because much more so than patriation, the Prime Minister wants to receive de facto full powers to better regulate Canadian society and shape it according to his own political designs.

The September conference was not a failure, far from it. But it was described as such because that was the Prime Minister's will, to justify his autocratic control over the unfolding of Canadian life. If that is not dictatorship, words have become meaningless, Mr. Speaker.

What the Prime Minister wants to establish in Canada, and it is important that Canadians should learn about it because this they will not hear from my friends opposite, is in effect a unitarian government, a central government with exclusive ownership over the instruments of social and economic life in this country. What the Prime Minister wants to establish before he leaves is a federal authority so powerful that provinces will be reduced to the rank of vassals merely there to carry out the will and the policies of the central body.

In his view, provinces should not derive their jurisdiction from the 1867 pact, under which a number of matters are exclusively their own. In the Prime Minister's scheme, the provinces must become mere administrative divisions responsible for punctiliously and silently implementing the policies and orders from the mandarins and the bureaucrats in Ottawa.

Such a vision of Canada I personally reject, as does my party, because it inescapably leads to the fragmentation of our confederation and the ultimate end of this country.

● (2110)

It stems from the Prime Minister's deep contempt for the provinces, a contempt that the present Leader of the Government showed even before he entered active politics and has kept showing for the last 13 years. Is there any need to remind anybody of the compliments he paid to Robert Bourassa when he was premier of the province of Quebec? My friends across the way do not talk about the attitude the Prime Minister of Canada had towards the Quebec premier. That would be embarrassing and I can understand that.

That is why, for instance, Pierre Elliott Trudeau, in the April, 1963, issue of *Cité Libre* for which he was a political commentator at the time, blamed the provinces for what he called the decay of the Canadian political philosophy. Why was that? Simply because, according to him, the central government has to take the provinces into account and make concessions to them. The fact that he wants to get rid of these structures and of the provinces is nothing new. Some people think that I am exaggerating? I will quote the exact words of

the man who was to become the prime minister of this country five years later. He said, and I quote:

The men of the 1867 constitution must have feared the paralysis that such a state of affairs inevitably leads to. Today, they would have to reconcile many more things than Upper and Lower Canada, the maritimes and the provinces that followed. As a result, to take over power in Ottawa, political parties naturally had to strive increasingly to reconcile very different regional interests, which usually meant reducing the ideological content to its bare minimum.

And Mr. Trudeau concluded, at that time, and I quote:

But what may have been overlooked is the degree of intellectual decay that process finally led us to.

So, what constitutes, in the eyes of other Canadians, the main value of the political men in this country, whether they work at the federal or provincial levels, is the faculty to compromise and adjust themselves to the political facts and situations, of Canadian life, that admirable philosophy that has enabled Canada to go through, without too much danger, the severest crisis in its history, the need to love, understand, tolerate and accept one another, and get along together, which is the main characteristic of Canadian political life, all that is not the greatest Canadian virtue; in the eyes of the present Prime Minister, all that has become an offensive vice that leads to the "decay of Canadian political thought".

Those who had a chance to watch the debates of the September conference on television were unanimous in praising and admiring the quality of the interventions of the ten provincial premiers, including that of my province. They were in a position to see that if there is any decay in the Canadian political thought, it is not at the provincial level. The decay, Mr. Speaker, is found in the Pitfield and Kirby documents, in the "bulldozer" tactics of the Minister of Justice, and in the art of expertly presenting facts in a wrong light of the Prime Minister of Canada himself.

The Prime Minister brags about having the support of his caucus, as if the latter represented the Canadian people, but I doubt that Canadians, especially Canadian Liberals, see themselves in the people the voters sent to sit in Parliament. For all practical purposes, the Liberal caucus actually represents only two provinces: Quebec, with more than half the caucus members, and Ontario, which provides the other half, more or less. The Atlantic provinces are poorly represented and the west is totally missing, except for two members. In these circumstances, how can the Prime Minister emphasize the representativeness of the Canadian nation rather than that of the Liberal caucus? One would not argue if the Prime Minister had received a clear mandate from delegates representing the whole of his party in a policy convention. But he never had such a mandate, even at the last election, because he deliberately and knowingly kept silent on the matter of constitutional reform, arguing that the provinces were fed up with this subject matter which, one has to admit, had become the pet project of the leader of the Liberal Party of Canada.

But in fact, is the Liberal party worth more than its caucus? On this point, let us refer to the statement made by the Prime Minister himself in the article published in the April, 1963, issue of *Cité Libre*. I apologize to my friends from the other side if I go back to *Cité Libre*. However, the Prime Minister—

An hon. Member: It is not a shared feeling!

Mr. La Salle: It is.

I referred a moment ago to an article published in *Cité Libre*. In fact, knowing how ambitious the government head is, one cannot help but wonder whether it is not precisely what he calls the decay of the political thinking within the Liberal Party which has drawn him into this formation, thus repudiating his past links.

For that matter, did he not confess it publicly by running under the Liberal banner in 1965? Isn't it well known that despairing ever to see the New Democratic Party take power he needed a more flexible tool to realize his plans and that this tool, always available to autocrats, he would have found in the Liberal party? In spite of the deep contempt that he feels toward his own party, isn't it precisely that proverbial spinelessness of its members which prompted him to run for the leadership?

Let us read again, Mr. Speaker, excerpts from *Cité Libre*, a text of 1963, 17 years old but which still conveys a vivid sense of present-day reality. It said, and I quote:

"Since I have been watching politics, I do not recall having witnessed a more degrading spectacle than that of all these Liberals who have acted as turncoats along with their boss."

Also, criticizing what he calls—

—the autocratism of the Liberal structures and the extraordinary cowardice of its members—

—The present Prime Minister, but back in those days, with *Cité Libre*, he would add, and I quote:

The philosophy of the Liberal party is quite simple—

—That is interesting, Mr. Speaker.

Just say anything, think about anything; or even better, do not think at all; but get yourself into power because we are those who can best govern you—

—and Mr. Trudeau to conclude:

Suckers, all of them.

He wrote that. Say anything, this is what the Prime Minister of Canada has just done in his most recent statement to the Canadian people when he stated that the repatriation is urgent because of the commitments which were made to Quebeckers during the May 22 referendum.

An hon. Member: You were not there on May 22.

Mr. La Salle: No, Mr. Speaker. I was not there on May 22. Those who worried about the fact that I did not take part in the referendum will understand today—

An hon. Member: You have never been there for Quebec.

Mr. La Salle: —will understand, Mr. Speaker, what I felt in the slogan which was launched by the Prime Minister, since it was nothing but a slogan. I had the opportunity to say that I did not want to take a position publicly during the referendum when I recognized that I voted against Mr. Lévesque's proposal but that I could not defend the slogan presented by Mr. Trudeau to Quebeckers because I already felt the perfidy and the hypocrisy in his renewed federalism. And I was right. And I shall read later what Mr. Ryan said. He too regrets to have been taken in by the proposal made by the Prime Minister of Canada and by his accomplices, his sheep, who followed him without protesting. What dissatisfaction among the partisans of the No-side today!

An hon. Member: And your people in Joliette?

Mr. La Salle: What dissatisfaction among the partisans of the No-side. Do not concern yourself with the people in Joliette.

Of the deterioration of the political ideology and the absolute lack of principles within the Liberal party which were denounced in 1963 by the present Prime Minister and described by him as the "raddled face of power", we have had a clear illustration these past few days.

I am coming now to the constitutional apostasy of the Minister of Transport, which has demonstrated the slavish partisanship which the present leader of the Liberal party denounced 17 years ago. The fact that to keep his position within the cabinet the Minister of Transport has deemed it advisable to repudiate now the spirit and the letter of the Pepin-Robarts report is certainly one of the most despicable events in Canadian history. When we consider this decision by one of the co-chairmen of the Task Force on Canadian Unity to repudiate so lightly his own report, we feel both sad and angry because there is not a single person on the Liberal side who can still grow incensed at the unspeakable machination masterminded by the leader of the party.

The man who once proclaimed the sovereignty of both the federal and provincial governments over their respective areas of jurisdiction—I am still referring to the Minister of Transport—who claimed that an equilibrium and a consensus between the two levels of government were necessary for the survival of Canada, has come to adhere to the thesis that the provinces are only the subordinates of the central government.

● (2120)

"The thesis of the Prime Minister on the paramountcy of the federal government can be established and easily defended" the Minister of Transport dares tell us now, thereby rejecting the judgement he himself had passed as co-chairman of the royal commission. Canadian history is not devoid of vile actions but I do not know of a great many that are more degrading than that one, Mr. Speaker, when it comes to the pure and simple violation of provincial jurisdiction in the field of education under the pretence of entrenching language rights in the constitution. The Minister of Transport subscribes to this view with an eagerness that his fellow members of the Pepin-Robarts commission will have no ground for being proud of. The pseudo intellectual gimmicks of the minister will not fool anyone. The minister has kept his power but he has forsaken honour. His credibility has been reduced to nothing, but his servile attitude will probably not carry him very far in the realm of politics. I suspect that the minister will eventually experience the fate his leader had in store for John Turner, for instance, precisely the man who represented his riding of Ottawa-Carleton. Yet, unlike John Turner, he will not find anybody to regret his departure except those who will feel pity and shame for him.

And I turn again to the Prime Minister, to the man who, the day after the Victoria conference, stated that he no longer wanted to hear about the constitution and that it was more urgent to find some remedy to the mounting economic problems that Canada faced. This same man is today making an impassionate plea for patriation, which everyone wants, no doubt, but which no one finds so pressing as to have priority over the other ills of our Canadian society.

That is another strategy of this government, to bring Canadians to discuss constitutional amendments in order to hide the real problems while Parliament and Canadians have no budget and while there is a pressing and vital need for economic direction. During the next two months the Prime Minister will try to make the media concentrate on constitutional reform because he is ashamed and does not have the courage to table his economic proposals but especially because he has none that would please Canadians. This is the kind of strategy which will not fool Canadians as far as this government's attitudes are concerned, and everybody subscribed to them. The constitution will not put bread and butter on the tables of the unemployed this winter.

An hon. Member: It is about time you started to think about it.

Mr. La Salle: That is not scandalous. It is high time the hon. member thought about it. A government member criticized us for having waited seven months before presenting a budget, and the Liberals have now been waiting for nine months. I forgive them, Mr. Speaker, because they do not know any better.

Here again we are witnessing well known Liberal tactics, that of twisting facts and misrepresentation. All those who followed the progress of the referendum campaign in the country, whether they belonged to the Yes or the No committee, know that the May 20 vote was about one precise question: the mandate of the Lévesque government to propose a system of political sovereignty coupled with economic association with the rest of Canada. The question never dealt with any other project. Quebeckers said no to sovereignty, because

they were promised a thorough constitutional reform, the nature and extent of which the No forces did not even consult or ever agree. That is something the Prime Minister knows very well. To say otherwise is to make a statement that the Standing Orders do not allow one to qualify by the only right term.

Indeed, putting his head on the block the Prime Minister promised to amend the constitution but he knows full well that for Quebeckers this reform was in fact a new distribution of powers. If Quebeckers had been told by the Prime Minister that this reform would be limited to unilateral patriation of the constitution, including a bill of fundamental and linguistic rights entrenched in it and that it would only be a way for the federal government to grab the rest of powers and of economic liberties of the provinces, I do not hesitate to say that Quebeckers would have massively rejected such arguments. Most likely, under those circumstances the Yes-side would have won. The No supporters would have dissociated themselves from the Prime Minister of Canada and I do not think I am wrong when I say that Claude Ryan would have dissociated himself from the position of the federal Liberal leader. It is important that Canadians know that the provincial Liberals do not approve the methods used by the Prime Minister of Canada. With your permission, Mr. Speaker, I would like to read two paragraphs from Mr. Ryan. Of course, like us, he dreams about great principles which would be respected throughout Canada, he dreams about an ideal situation as concerns justice and many other things. Of course, this is what Mr. Ryan wishes. We wish the same thing, but we want to respect our present structure. If a change is needed, we must consult the provinces. Mr. Ryan says and I quote:

> What I fear personally because of the way things have been going is that we might be led gradually to profound changes in the very nature of the federal structure which governs us.

The man speaking is not a Tory! He is not a separatist!

> Until now, the federal structure has been based on the principle of the equality of both levels of government—

Is this clear, my Liberal friends on the other side?

> There was no question of subordinating one level of government to the other or of giving one level priority over the other. The method advanced in the federal proposal, asserts the supremacy of the federal government over the provinces.
>
> This is a new political principle which, in my opinion, opens a completely new page in the history of constitutional law and political evolution in Canada. We maintain—

—says Mr. Ryan, still on behalf of the Liberal party—

> —that the constitution is the common property and the responsibility of the two levels of government. If we want to bring about major changes which would affect the constitution, these changes must be made with the agreement of both levels of government. Neither one of them can claim the privilege or the right to act alone in these matters which could affect federal relations.

And he adds something interesting about trying to evaluate the referendum in Quebec.

An hon. Member: Do not speak about the referendum; you know nothing about it!

Mr. La Salle: And when I hear, says Mr. Ryan—Can someone tell me the name of the idiot who speaks louder than anyone else? And when I hear, says Mr. Ryan, and I quote, Mr. Speaker:

> And when I hear Mr. Trudeau suggest that the No given at the referendum was the same as giving a free hand to the Prime Minister of Canada to impose his concept of constitutional change, I cannot agree on this point either. We fought both for the No vote and for reasonable changes in the federal system of Canadian government, but we have always said that any basic change must be sought and made with the agreement of the two orders of government—
>
> If I had been told:

—concludes Mr. Ryan:

> "You are going to chair the No vote committee and will after that be told what to do, what your duty is and shut up", I would never have chaired the No committee, as you perfectly know. And if I had been told that this was my last chance, that after that sovereignty-association would come, I would never have let myself be caught in such a trap either. For some months, both sides have been joyfully falsifying the true meaning of the results of the referendum held on May 20 of this year. As a well placed witness of that enterprise, as chairman of the No committee, I feel obliged to record my dissent.

It is therefore important in my view that Canadians know the Quebec Liberal party is totally opposed to what Liberals here imply.

That implication by Liberals, who pretend to represent Quebec voters, is false representation as I said. They say it is urgent. How can that be explained, Mr. Speaker? Well, it would have been so easy for Mr. Trudeau, for the Prime Minister, excuse me, to meet with Mr. Ryan and allow Quebec Liberals to make their views known rather than taking immediate decision. As far as we are concerned, we would have preferred that the Right Hon. Prime Minister have another try at a first ministers' meeting, a last minute effort in order to at least have the decency to have that two-year freeze accepted. Let us suppose the ten first ministers accepted patriation with a two-year freeze, we—

An hon. Member: Never!

Mr. La Salle: Somebody says, never. Because the Right Hon. Prime Minister is not interested in having an affirmative answer from the provinces. The Right Hon. Prime Minister's vision of Canada is evidence of his incompetence and his inability to find a solution.

So it is true that to dress his salad the Prime Minister talks about a charter of fundamental and linguistic rights. What he has yet to prove is that fundamental rights are being threatened. Quite the contrary, all Canadian provinces, if I am not mistaken, have their own charter of human rights and I do not know of any case where they are really endangered. What I do know on this point of upholding human rights is that the government of this Prime Minister is not beyond reproach. That is why I urge him to approach the problem with a little

more humility. His past attitudes make him more than suspect.

It was his government, Mr. Speaker, that during the October, 1970, crisis when it was a matter of seeking out some thirty young terrorists did not hesitate with the co-operation of the police to put under arrest and detain without warrants some 450 people whose only crime was to continue to believe in the socialism the Prime Minister had himself advocated up until the time he joined what he elegantly described as the Liberal centre of intellectual decay.

One should not forget, indeed, that the Prime Minister was and remains the chairman of the cabinet committee on national security and in that capacity must bear responsibility for the actions that were taken and, consequently, the general directives that were given. Well, judging from the information that filtered through during the past ten years the Prime Minister never even bothered to really find out what had happened and people are still waiting for his excuses to Quebeckers, be they leftists, unjustly deprived of their citizens' rights and their fundamental freedoms.

Until the McDonald commission clearly assesses the respective responsibilities of cabinet members and police departments, I, for one, hold the present Prime Minister above all responsible for the thoughtless imposition of the War Measures Act and all the police and other abuses that resulted from it.

In any case, as long as we live in a democratic society, I do not see the need—and I do say the need—to entrench human rights in the Constitution of Canada. It is enough for me that these rights be provided for in specific federal or provincial legislation with enough flexibility to make them more explicit with the evolution of our society and indeed for the addition of new rights that are not yet clearly defined.

Concerning the language rights, I hope they will be recognized for French-speaking people outside Quebec with as much generosity as those of the English-speaking residents in Quebec. But as these rights are very closely related to the provincial jurisdiction over education, I do not see why it should be urgent or necessary to enshrine them in the constitution at the risk of giving rise to quarrels like those the past generations have known. But I think it is the duty of a responsible federal government to help the provinces financially to establish an education system in the second language. On the other hand, I do not want the provinces to be forced, I want them to be permitted, I want them to be invited, I want them to be respected. That is the difference between the Liberals and I. But what I am really against, is that acting on the suggestion of his leader, one of the cabinet ministers should have the presumption to undercut at its very base the historical foundation of the right of Francophones to receive an education in their mother tongue. Did not the Secretary of State and Minister of Communications (Mr. Fox) go as far as to denounce the thesis of the two founding peoples, on the pretext that this expression could give rise to semantic difficulties? But making the two great linguistic communities takes away any justification for Francophones outside Quebec who demand their own schools.

As Marcel Adam wrote—I might finish with that, Mr. Speaker. As Marcel Adam wrote, I do not quote the "blues" yet, in the paper *La Presse* of October 1, in refusing to use the expression "two founding peoples", on what ground would Mr. Fox enshrine the language rights in the constitution?

I regret, Mr. Speaker, that my time has run out. I had more things to say, but I consider it as a privilege to have been able to express myself on behalf of thousands of Quebeckers, and to have had the possibility, in a desperate gesture, to ask these Liberals on the other side to show a minimum of respect, only a minimum, for the aspirations of millions of Quebeckers, as I did today.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of Environment): And now, Mr. Speaker, after that irrelevant tirade, let us get back to the motion.

● (2130)

[*English*]

Mr. Speaker, when we as students of history, whether Canadian or otherwise, look back on events, unless we are steeped pretty deeply in them or are graduate students of them, which I am not, we tend to identify certain milestones as though they were simple, uncomplicated or harmonious events. So, in general terms, we tend to associate a date with the act of union or the adoption of the maple leaf as our national flag. In so doing, it seems to me, unless we delve more deeply into the event, we are often not aware of the reservations, for example, which would have been expressed at the Charlottetown conference by some of the participants or the bitter acrimony which accompanied the fight for confederation in Newfoundland in the years from 1946 to 1948.

It seems to me that in respect of the proposal before us now we will find ourselves in an analogous situation a few years down the road. We are too close to it now, the emotions of the people are too tender, our minds are too cluttered by conflicting viewpoints from all sides to appreciate the ultimate magnitude of the step we are contemplating with respect to the resolution before us. An event such as this must by its very nature generate frustration and produce misunderstanding and misapprehension; it must lend itself to misrepresentation of the kind that I heard just two or three hours ago on a national radio show, the CBC's "As it Happens", when the Right Hon. Leader of the Opposition (Mr. Clark) perpetrated on the Canadian people an unfortunate misrepresentation, unfortunate perhaps but obvious. He alleged in that program this evening that the document which is now before the House constitutes an effort by the Prime Minister, as he said, to create a unitary state with all the power vested in one order of government.

Some hon. Members: Oh, oh!

Mr. Simmons: The hon. member for Yellowhead (Mr. Clark), or my good friend the hon. member for Dartmouth-Halifax East (Mr. Forrestall), could not have read the document or clearly have not understood the proposal if that is what they allege. One of the clearly stated provisions of this particular document is that it would guarantee that for all time all future changes in our constitution would require the agreement, the consensus of the provincial governments. That hardly sounds—

An hon. Member: Sit down.

Mr. Simmons: I will sit down if the hon. member for Athabasca (Mr. Shields) will let me read it to him. He may learn something. Very clearly in the documentation it states that from the day the committee comes back with a finished proposal, only by consensus will the details of the amending formula be left to the provinces as well. Only by consensus will we be able to change the constitution.

● (2140)

Mr. Forrestall: There are other ways.

Mr. Simmons: I say to the hon. member for Dartmouth-Halifax East that there is one other way. We can ask the people of Canada, which I happen to think is a very sensible way of doing things. We can ask the people who put us here. The government is not afraid of doing that. The Leader of the Opposition expressed some fear. He was dealt with rather badly by the people of Canada before, so he should be apprehensive about going back to them again.

Mr. Forrestall: Were you here when he spoke?

Mr. Simmons: As much as I would have liked to, I was not able to sit here yesterday and hear the hon. Leader of the Opposition. I was down in the riding of my good friend, the hon. member for Northumberland (Mr. Hees), helping some of his constituents who dearly wanted to hear some points about the constitution. I was delighted to go down and give them of my wisdom on the subject. I was not here but I read with interest not only the press reports of the speech of the Right Hon. Leader of the Opposition but also the actual text of *Hansard,* the transcription of what he said. The first sentence which caught my eye was:

By destroying the federal system in Canada it could destroy this country.

He was referring to this proposal. I say to him, welcome to the twentieth century. That is what we were trying to tell him during his brief days in power. That is exactly what we were trying to tell him. He hardly crossed the threshhold of power and he was giving orders to put out the fire sale signs, to give it away to the provincial governments completely. He insisted on doing it from the day he took office. At long last my good friend from Yellowhead has seen the light. I have no doubt that it has something to do with the fact that he sits next to my very good and wise friend, the hon. member for Nepean-Carleton (Mr. Baker). He is a sensible man if ever there was one, a man who will not stand idly by and see trampled the precepts and the principles for which John Diefenbaker fought. For that I admire the hon. member for Nepean-Carleton and the public statements he has made in the past few days on this particular subject. As the chief watches us from up there somewhere tonight, he must be having a double nightmare. First, his main protagonist during his last years in this House, the Prime Minister (Mr. Trudeau), is now doing what he, Mr. Diefenbaker, would have done had he been given the opportunity. He would have done that very thing. Indeed, while he was in power he tried to do it, not through legislation but by another route, the route we are going now. But he was prevented from doing it by provincial governments of his own party stripe. That is the first thing which must make him turn over tonight. He must be having a nightmare tonight. Second, it is insult enough to have one's main protagonist step in and do what one would have done, but the insult of insults is to find one's successor, once removed the leader of one's party, a fellow westerner not having the gratitude and loyalty and lacking the common decency to pick up the torch when one was obliged to yield it. We know the lines which read as follows:

To you from failing hands we throw
The torch; be yours to hold it high.

"No, Joe. Not upside down, Joe, you will get your hands burnt that way." When the government decided to proceed with the patriation of our constitution, it became aware of the complexities attached to making an address to Her Majesty the Queen. Asking Parliament to deal with so detailed a measure in one gulp would be like asking a man to swallow a watermelon whole.

I say to my hon. friend whose riding escapes me, as it escapes him, that at this point in time I am proposing to respond to two or three points the Right Hon. Leader of the Opposition raised questions about yesterday. I invite my good friend from the west to listen. He may well learn something; it is highly possible. Asking Parliament to deal with so detailed a measure as we have here would be quite an assignment. The rules of debate are such, as members know, that attempts to propose amendments would be awkward and difficult in this particular forum. The government did not consider this reasonable or fair and consequently it decided that the best course was not to put before Parliament what amounted to a *fait accompli*, but to present Parliament with certain ideas, the ideas of the government obviously. It decided that it was best then to appoint a joint committee of both Houses, this chamber and the Senate chamber, in effect to draft the address to be presented to the Queen. That is the assignment, not to rubber stamp but to take this particular document before us as a working paper to draft an address to Her Majesty the Queen. The proposed address which we published on October 2 and tabled here on Monday is a working paper. Naturally we on this side hope the recommendations of the committee when brought back to this chamber will be similar to the proposed address as contained in the document. But by no means are we wedded to every detail in it. In his opening statement the Prime Minister indicated we are looking forward to a frank

exchange of ideas in committee. If members have concerns on this issue, before they place their bets they should try us in committee.

An hon. Member: The ten premiers did.

Mr. Simmons: I will talk about the ten premiers a little later on. Let me address myself to some of the things my good friend from Yellowhead said, the gentleman who is facing a leadership review in February. They call him out west the white elephant from Yellowhead. Let me talk about some of the points about which he was concerned yesterday. What was his response to our gesture? We said, "Here is a working paper. Go work on it some more, refine it and come back with a product that we can take over to Westminster to get our constitution back in this country where it belongs". What was his response? The Leader of the Opposition professed his usual great love for Parliament. His government said that it wanted to augment committees. What was his response to the proposal that a parliamentary committee draft an address rather than having the government ram something down his throat? His response was red herrings, good old red herrings from the good old white elephant. The Leader of the Opposition used to call himself a red Tory. Now he specializes in red herrings. The proposed joint committee is being asked to consider a proposed address to the Queen. It is being asked to consider what form it ought to take. In other words the joint committee is being asked to draft, on the basis of a working paper, the penultimate or the ultimate form of the address which should go forward, depending upon whether the House concurs without change. Members opposite, and in particular the Leader of the Opposition, claim there is no opportunity to amend the proposed address. The fact is that the ultimate form of the address does not yet exist on paper. The committee will prepare that form. Certainly the government will present its ideas to the committee. That is our right and responsibility. Certainly those ideas will be the same as those in the document referred to in the motion. Certainly members of the committee will put forward alternatives, perhaps in the form of amendments to motions before the committee. Perhaps even some government members will have such amendments as well. I do not know. We cannot predict that, nor do we want to. What we want is an address to Her Majesty that will achieve the over-all objectives stated publicly by the Prime Minister and, indeed, embodied in the resolution and the document accompanying it. That is the white elephant's red herring number one.

• (2150)

Next we heard him say that the proposed committee ought to travel all over the country. Members should remember that people have been travelling on this one for 53 years. I do not think there is any lack of information, any lack of ideas or lack of exchange of ideas on this. What is required now is for us to make up our minds on which set of information, which particles of truth, we want to embody, then ship if off to England and get the response back that we very much want to have. The travel is behind us. This is not the time for travel. We have had 53 years of travelling. Now let us get our heads together and make up our minds. That is his second red herring. He wants a travelling circus. I say no to that.

Then the Leader of the Opposition complains about the time limits. How long do we need, after 53 years, to arrive at a consensus upon which there is no shortage of information, no shortage of input? Then we hear the Leader of the Opposition talk about the provision of a quorum. I have enumerated three or four objections the hon. gentleman made to the resolution and the form in which it has been introduced. But now I come to what must have been his finest hour. All the objections which have gone before, I submit, were just preliminary. He was just warming to his subject. But now, with the matter before him, Mr. Speaker, here is the white elephant, the walking dead from Yellowhead. Here he is with the vilest outrage of all. This is it. Nothing ever was as bad as this. There he stood with sagging jowl, with penetrating gaze but without the intellect of a Diefenbaker, projecting the appearance of one who understands what he is talking about. Well, what was he talking about. What is it he was objecting to about the quorum? Has the Leader of the Opposition finally stumbled on the truth for which he has been searching for all these years, the clear evidence which to date has eluded him, that we are a bunch of parliamentary scoundrels and legislative varmints? Has he finally discovered that he's got what he always needed to clench his case against us? Surely, if we can judge from his excited rhetoric of yesterday, he is without a doubt on the very verge of driving the final nail in our political coffin. What is it he is so exercised about? What is he objecting to? I will tell you. Does he not realize that the section he objects to is taken, verbatim, word for word, not from the mind of the Minister of Justice (Mr. Chrétien) or from the Prime Minister, not even from the mind of the hon. member for Dartmouth-Halifax East, if that were possible—

Some hon. Members: Oh, oh!

Mr. Simmons: No, Mr. Speaker. Taken verbatim, word for word, from the motion in our Standing Orders establishing special joint committees. Does the hon. gentleman not read the rules he lives by here? It was taken word for word from our standing rules governing the establishment of joint committees which operate under the auspices of this chamber and the chamber down the way, the Senate chamber. That is what the fuss has been all about, Mr. Speaker. That is what the Leader of the Opposition has been out misleading the public of Canada about. And he expects to have credibility after February. He will have a job keeping it until February.

Some hon. Members: Oh!

Mr. Simmons: There is so much more we could say in terms of what the Leader of the Opposition has been saying. His problem is that he should really stop looking over his shoulder, he should start looking straight ahead and then he might be able to see the future of the nation. He might be able to see the vision which is embodied in the document before us. As it is, looking either way, Mr. Speaker, he can only see the president

of the Iron Ore Company of Canada. He really has only himself to blame. Let no one in this chamber tonight, let no one in this country for one fleeting moment, think there is any lack of compassion in my heart for the right hon. gentleman from Yellowhead. I am overwhelmed with compassion for him. My heart overflows with abject, unadulterated pity for him. A person in his present situation deserves the pity of an entire nation. And, indeed, he is getting it.

Some hon. Members: Oh, oh!

Mr. Simmons: To demonstrate the utter unselfishness of my compassion and to permit others in this House and across this compassionate land to rally to his side in a tangible way, I am tonight announcing a new humanitarian endeavour, a new fund-raising drive to be known, for the sake of brevity, as the FTSTHOTHMFYATIHFATLOHMLO. Or, for the few of you who did not follow my shorthand, the Fund to Save the Hide of the Honourable Member for Yellowhead and to Instal Him forever as the Leader of Her Majesty's Loyal Opposition. You see, Mr. Speaker, we on this side need him. We need him because he makes our job—

Mr. Munro (Esquimalt-Saanich): A point of order, Mr. Speaker. I think we have hit the bottom of degradation in this House. The speaker, the member from I-know-not-where, has diverted from a topic of great national importance—

Mr. Deputy Speaker: The hon. member is not making a point of order. The parliamentary secretary—

If the hon. member is making a point of order would he please get to the point?

Mr. Munro (Esquimalt-Saanich): That is what I am getting at. The hon. member has—

Mr. Deputy Speaker: The Chair has been listening with as much attention as possible to the debate and has to concede that there is about equal relevance on both sides on certain matters. The parliamentary secretary has the floor.

Mr. Simmons: I do apologize to the hon. member for Esquimalt-Saanich (Mr. Munro) for coming slowly to the point. But I was really doing it for his own benefit. I wanted him to understand what I was saying. I wanted him to know how much we in this chamber need the Leader of the Opposition. He may have different views, he may not be on the leader's side in February, but that is not a matter he should discuss in this chamber. He should not wash his linen in public, I say to him. Mr. Speaker, we need the right hon. gentleman here, we want him here. We in this party hope he will always be leader of the opposition. It is our constant fear that the Tory party might smarten up and promote him laterally.

Some hon. Members: Oh, oh!

Mr. Simmons: That is the best the Leader of the Opposition can do with a serious document—as the hon. member for Esquimalt-Saanich said—to pick and falsify and misrepresent to the public of Canada and go out and say: Look, see what they are doing, the vilest act of all. And what was that vile act? To lift from our Standing Orders, word for word, dot for dot, without a change of an "i" or a "t". We lift it, put it into the document before us and somehow, Mr. Speaker, that is a crime for which we have to be smeared across the country tonight on a national radio show by the irresponsible Leader of the Opposition. If you think that is irrelevant, then I say to the hon. member for Esquimalt-Saanich that everything the Leader of the Opposition said yesterday is also irrelevant. It needs to be answered, this vile smear job, this misrepresentation of what has the makings of a noble document. If the people in this House would only get off their pedestals, get into committee, take this as a working paper and then come back with something we can vote on in this chamber—

Some hon. Members: Hear, hear!

An hon. Member: Right on!

Mr. Simmons: In a simpler age, when Sir John A. Macdonald, that great Canadian, and Sir George Étienne Cartier, another great Canadian, framed our constitution, the rights and liberties of the citizens were held to be an implicit part of our parliamentary democracy. But experience has shown that what is only implicit can be endangered by lack of recognition. So John Diefenbaker, another great Canadian, secured the passage of a bill of rights. And when he spoke to that bill he said: "As far as a constitutional amendment is concerned it is impossible of attainment at this time."

The reason for that, of course, was that it was blocked by the provincial governments. We are now seeking in this great Liberal party to conclude what the Tories began—Macdonald and Diefenbaker and the rest of them.

● (2200)

Those of us on the government benches are puzzled, therefore, by the present aberration manifested in the Leader of the Opposition, the present aberration from the unction and honourable tradition of the Canadian Tory party. Is he really speaking for his caucus, or are the rumors true? Has the caucus smartened up and taken Bill Davis' sage advice on the subject? We on this side of the House have a profound respect for the great tradition—

Mr. Deputy Speaker: Order. In accordance with Standing Order 40—

Mr. Roche: Mr. Speaker, a point of order.

Mr. Deputy Speaker: Points of order are not entertained at the moment of adjournment.

Mr. Roche: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. It is well recognized in the House that once the adjournment debate has started points of order or questions of privilege are not recognized.

An hon. Member: It has not started.

Mr. Deputy Speaker: I rose and interrupted the hon. member and began to talk. The purpose of interrupting the hon. member was to commence the adjournment debate. That is my ruling.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIRPORTS—VICTORIA INTERNATIONAL—ABSENCE OF RADAR EQUIPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I apologize to the hon. member for Edmonton South (Mr. Roche). On May 12, I asked a question of the Minister of Transport (Mr. Pepin) which he deliberately misheard and tried to answer in a different way. I was speaking about the problems caused by the absence of radar at Victoria International Airport, but he wanted to tell me about the improvements which have been made to the airport, the extension of space and the freightways and the new roads which are being built. As I indicated to him, we are all aware of the physical improvements to the buildings which were being contemplated. I believe there is one order out at the moment to redirect the road around the airport. However, these were not my concerns at the time.

My concern was with safety, as it has been for more years than I would like to count, considering the number of times I have had to land at that airport with the absence of radar. My first annotation of that particular exercise, and I still carry the memorandum telling me about it, goes back to Air Canada flight 266 from Victoria at 8.10 a.m. on January 21, 1977. Three and a half years ago, as my note reminds me—althouth I do not need any reminder because the impression is still very vivid in my mind—as we were taking off I suddenly felt the wing dip to starboard, and looking out the window which was then above me, I saw a float plane go by the tip of the wing.

I asked the pilot when he had regained level flight if he had been warned of the existence of that particular aircraft, and he said "No". When I got to Vancouver I spoke to the air traffic controllers there and asked them if they were aware of the presence of that aircraft in the flight path of a scheduled airline. They, too, said "No". I asked if a report was being prepared. They said, "Well, it depends on whether a request for a report is called for". From that time on I have been asking at regular intervals whether anything is being done about radar at Victoria International Airport.

• (2205)

On May 12 I raised the question again because I had heard that the Minister of Transport (Mr. Pepin) had been out there. I am glad he did not have a near miss when he landed at Victoria International Airport. Since that date, however, I have had a number of other occasions to raise the matter. I raised it on July 15 as reported at page 2192 of *Hansard* in the first column, when I pointed out that within the last 13 months at Victoria International Airport there had been 19 near misses. It is the only airport in a capital city of Canada that does not have radar. These did not all involve scheduled airlines. Some were with private airlines or business airlines. Indeed, one happened to be an RCAF flight. When coming in, the pilot suddenly found himself confronted on the flight path with three parachutists dropping in front of him. The next day, when another flight came in, there were 30. No one had been notified. The parachutists were in American territory because the flight path happens to go over that territory. The international boundary is there. There was no problem, except that the air traffic controllers in Victoria had not been notified. Now I hear that there are hang gliders in the circuit and there is still no radar.

In a centre like Victoria which I think is one of the tourist attractions of Canada, surely it is time there was radar.

It is stated in *Hansard* of June 12 at page 2049 that the original cost of Mirabel International Airport was set at $212 million—but that it ended up costing $371 million. Mirabel rates as forty-seventh in importance, based on the number of landings and takeoffs. From 1976 to 1979 it built up from 49,000 landings and takeoffs to 59,000 per year. Victoria is in thirteenth place at the moment. In 1979 it was in twelfth place. It handles between 186,000 and 200,000 landings and takeoffs. I am sure there is radar at Mirabel—and of course I do not say there should not be. But Victoria International Airport also has international flights and, further, it has international overflights as it is on the flight path between Seattle and Alaska and is also on some of the flight paths from Seatac Airport that serves Seattle and Tacoma, to the far east. The presence of aircraft in the area should be known to the air traffic controllers so that incoming and outgoing traffic can be notified.

All I am suggesting is that it is high time there was radar. I am not making a plea for a new appropriation but just a for a re-examination of the assignments of funds to, let us say, Mirabel, in order to purchase radar equipment for Victoria International Airport.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The hon. member has raised the question of radar at Victoria a number of times. I am somewhat surprised that he wishes to raise it again as he was given a clear explanation of the situation in a letter from the minister dated June 2, 1980. At the conclusion of his letter, the minister even offers to have his officials provide further detail if the hon.

member is interested. To my knowledge, the hon. member has not taken the minister up on this offer.

Very briefly, Mr. Speaker, the situation at Victoria airport is quite safe with the procedures currently in place. Controllers use the radar system at Vancouver to some extent, and when it cannot be used specific non-radar procedures are applied to ensure safety at the airport. In addition, the department has established a special operating position in the control tower at Victoria which provides an advisory service. Pilots have reported that this service is a marked improvement.

● (2210)

The hon. member raised a question last July about parachutists interfering with general aviation at Victoria. I would like to point out that the incidents in question took place outside the Victoria control zone in U.S. air space, and that in any event, radar would not have been able to detect the parachutists. The record at Victoria with regard to loss of separation has been remarkably good in the recent past. Naturally, we must look to the future.

Victoria has been identified in a long-term radar modernization plan as being a location requiring radar. The details of this plan will be developed in a rational manner, and Victoria will get radar at an appropriate time in the very near future.

ENERGY—OIL—SOURCES OF SUPPLY FOR EASTERN CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my concern as well arises out of a question asked in May and because of the very nature of events that have taken place in recent months. It centres on the signing of an agreement by the Government of Canada and the government of Mexico regarding the supply of crude oil for the basic needs of Canadians. We have been led to believe for a long period of time that the Canadian government was on the verge of initialling and entering into the final details of contractual arrangements for the supply of 100,000 barrels of crude oil for eastern Canada and eastern Canadian refineries. When we heard the announcement on May 26 or 27, we discovered to our surprise, shock and disappointment, that all the present government had been able to negotiate was some 50,000 barrels a day. This left eastern Canadians with a sense not only of disappointment but of real concern.

My question arose at a point in time when the glut that may exist for the present in the world oil supply market had not arisen. It arose at a point in time when there was growing apprehension about stability in the Middle East and at a point in time when we had come through a winter when most eastern Canadians were vitally concerned, with justification, as to whether or not there would be sufficient oil to supply the refineries, and, through the refineries, the requirements and demands for home heating, electrical generation and the general demand for oil and oil products. The answer given at the time by the Minister of Energy, Mines and Resources (Mr. Lalonde) was:

Madam Speaker, I would like, first of all, to alleviate some of the fears of the hon. gentleman by saying that Canada has not lost, today, 50,000 barrels a day; it has won 50,000 barrels a day.

That is a play on words from an individual who had very little, if any, concern for security of supply for eastern Canadians. Yet that minister is a resident of what might generally be described as eastern Canada. What measures has the government taken? What measures is it prepared to pursue with respect to restoring the supply to 100,000 barrels a day, which is the commitment the government gave to eastern Canadians and to this House? In addition, I ask the parliamentary secretary, the hon. member for Etobicoke North (Mr. MacLaren), to address himself this evening to the question of eastern security. The Minister of Finance (Mr. MacEachen) made a clear statement at the port of Halifax annual dinner a few weeks ago to the effect that he would personally intervene to ensure that the Quebec-maritime natural gas pipeline would be extended, notwithstanding the position of the National Energy Board.

● (2215)

What discussions have taken place as a result of this concern regarding security of energy? What discussions or negotiations have taken place since May 27 in support of the principle of security? What has been done to replace the lost 50,000 barrels a day which we were counting on? A glut may be present today because of the world situation, but the strife over the past two weeks in the Middle East has destroyed the possibility of eastern Canada receiving its required share on the world market.

We cannot afford to buy on the spot market, although I suspect we are doing that to a large degree. What is being done about that? What plans are in place? What can one tell eastern Canadians other than that there is enough oil to last us until late February or early March? What happens after that, because it is very cold in Atlantic Canada and northern Quebec in late March, April, and indeed if the truth be known, through to the middle of May. What is being done to assure Atlantic Canadians that there will be enough oil for home heating, electrical generation and the ships that come in and out of our ports after the end of February?

In addition, will the parliamentary secretary address the vital question of the degree to which gas will be supplied to replace oil in accordance with the statement by the Minister of Finance so that we might conserve and, indeed, replace the lost 50,000 barrels with this alternate source of energy?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the Minister of Energy, Mines and Resources (Mr. Lalonde) and other members of the government have noted on a number of occasions, the agreement signed in Ottawa with Mexico on May 27 guarantees delivery of 50,000 barrels a day of Mexican oil to Canada, starting late this month.

I am pleased to say that arrangements have been completed for these deliveries. We can expect that from an initial 20,000 barrels a day they will rise to the full 50,000 barrels a day by

the end of this year or early January. While there was never any firm commitment on the part of Mexico to increase the level of deliveries above 50,000 barrels, the president of Mexico indicated last spring that he would consider favourably an expression of interest by Canada in increasing deliveries above the 50,000 barrels a day. Currently the government has under consideration measures to ensure fair and equitable allocation of Mexican crude oil to eastern Canada refineries as this new source of supply becomes available.

Regarding the outlook for supplies to the Atlantic region, there are naturally concerns as to the impact the present Iran-Iraq crisis may have on oil supplies to our country. Latest information available indicates that the war is causing the loss of exports from the two countries to the international market of some three to four million barrels a day. However, Canada has only been receiving about 1.5 per cent of its total oil supplies from these two countries and the Canadian importers involved do not anticipate any major difficulty in making other arrangements to cover this disruption. Furthermore, because of record high oil inventories and weak demand for oil products, the rest of the world appears to be able to absorb the loss of Iran and Iraq exports with relative ease.

● (2220)

Over the longer term, the policy will be to substitute oil in the Atlantic region by domestic energy sources. In this connection, the federal government is planning initiatives which will result in a major substitution of imported oil by other forms of energy. There will be increasing reliance on Nova Scotia coal and an increase in programs designed to use renewable energy sources. Another important source of energy will become available with the delivery of natural gas to the Atlantic market. At the same time, certain conservation programs now implemented will lead to a marked decline in the energy growth rate. We can, therefore, anticipate that increased domestic energy supplies and effective conservation programs will enable Canada, by the end of this decade, to be essentially free of dependence on oil imports from uncertain foreign sources of supply.

CONSUMER AND CORPORATE AFFAIRS—INQUIRY INTO OIL INDUSTRY—RELEASE OF INFORMATION GATHERED

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to raise a question this evening in relation to a question I raised in the House on June 25, 1980, concerning an investigation by the director of research and investigation into an alleged conspiracy to fix prices and to restrain competition in the oil industry.

I would point out that this particular investigation began on February 13, 1973, and some seven and a half years have passed since then. It is interesting that a similar situation occurred in the United States involving the same major oil companies. It was dealt with very quickly and very effectively. In this country the technique to deal with it was obviously to refer it for study to a committee and then allow it to disappear. Absolutely nothing has been done and we have seen no effective results from this investigation.

The only actual results that have occurred are continued increases in the price of petroleum products to Canadians, and these products are controlled by a virtual monopoly in this country. There has been no movement on the part of the government to do anything about it.

We raised this question on June 25 after raising it on numerous occasions in the House and getting numerous commitments from the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) that action would be taken or was pending. We may wait for another seven and a half years before that occurs. At one time the minister suggested action would be taken in a matter of weeks. He said it was under consideration by the Minister of Justice. The Department of Justice had received the matter more than a year before that, had fooled around with it and promised action within weeks of the day we asked the question. Nothing has occurred to this date. A few weeks have gone by, the end of the summer has passed and we are now into the fall and a session during which I doubt that anything will be done about this question, this enormous rip-off of Canadians.

There is an additional element of concern. Even if the director of investigations and research made a report, it would go to the minister. Frankly, I submit that the minister in this particular field is a do-nothing minister. Even if it went to the attorney general, in view of the action we have seen on the part of the Department of Justice in Canada on this matter, which has been reprehensible, there would be nothing done. With the reference to the Restrictive Trade Practices Commission we may see another seven and a half years pass while the matter is swallowed up there.

In short, the problem in this country is that the government lacks the will to protect the Canadian people. We need a minister with some determination; we need a government with some determination and we need legislation.

The minister suggested in committee that during this session we would have competition legislation before us which would protect people before the fact rather than after. I suspect that in fact we will not see that competition legislation.

● (2225)

I expect that tonight we will be given a report about how this business has transpired and how, in a few weeks or perhaps in a month or so, we can expect a further report on this subject. It can be referred to the minister, or to the Restrictive Trade Practices Commission or somewhere else for another seven and a half years of consideration. But basically I think the Canadian people have been tremendously short-changed not only on this issue but also on the Campeau-Royal Trust issue, the amalgamation of forest companies in the province of British Columbia, the amalgamation of the print media, the concentration of the cablevision and electronics industries in Canada and the monopolies of the telephone companies. Yet this government sits here doing absolutely nothing.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the inquiry into the oil industry in Canada the government recognizes that the public, as well as the parties concerned, deserve to have its results confirmed as quickly as possible. However, this inquiry is one of the largest ever undertaken under competition legislation. Its scope relates to numerous sectors of a highly integrated industry as well as covering a long period.

While inquiries are conducted in private pursuant to section 27(1) of the Combines Investigation Act, there have been occasions when information relating to the pursuit of this particular inquiry has come to public attention from sources other than the office of the director of investigation and research in the Department of Consumer and Corporate Affairs. As a result, it is possible to advise the House on a number of steps this inquiry has followed.

The inquiry commenced in 1973 when the then director of investigation and research received an application pursuant to section 7 of the act applying for an inquiry into the conduct of a number of oil companies. This application was made by the Consumers Association of Canada, which informed the media of it. Subsequently, the director exercised his full formal powers to conduct searches of the premises of a large number of oil companies pursuant to section 10 of the act. The director removed documents deemed to be relevant to his inquiry. In addition, hearings before the Restrictive Trade Practices Commission were held where company officials were examined. The director also requested that oil companies respond to a detailed request for information and has also interviewed many individuals and petroleum trade associations who wanted to provide information.

It has also become public that during the course of this inquiry Petrofina Canada Limited commenced proceedings in the Federal Court questioning the validity of the procedures. The Federal Court denied this challenge. However, the Supreme Court has granted leave to appeal this denial, so it would be inappropriate to make any conjecture on the outcome, which is expected later this year, or on the effect of the challenge to the inquiry.

The director has pursued his investigation in an exhaustive manner while at the same time fulfilling his statutory obligations under the act as other matters have arisen. Given the nature of this inquiry, the effort already expended and its current stage, the governement believes that the public interest will best be served by allowing it to follow its course as prescribed in the Combines Investigation Act.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at two o'clock.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, October 8, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FEDERAL-PROVINCIAL RELATIONS

RESOURCE OWNERSHIP—GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that the hon. Minister of Employment and Immigration (Mr. Axworthy), who is the government's token western Canadian, has pledged in the House that the federal government has no intention of interfering with the provincial right to resource ownership and also has professed that the Prime Minister (Mr. Trudeau) should not be suspected of mounting an evil Machiavellian plot to establish a new socialist republic, and in light of the Prime Minister's disdain for similar promises made by other well-known Liberal spokesmen from the west, such as Mr. Gordon Gibson, as well as the loquacious Liberal Senate leader from British Columbia, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Prime Minister be directed to clarify that it is he and he alone who speaks for Canada and that Canadians should not take seriously any promises made by that vanishing breed of prominent Liberals from western Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SHIPPING

TAX INCENTIVES TO HELP PATRIATE CANADIAN-OWNED MARINE FLEET—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. Since the government's decision to patriate the constitution will not resolve economic problems or create new jobs for unemployed Canadians, I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House direct the government to help patriate the Canadian-owned marine fleet by providing tax incentives similar to those available to Canadian shipowners through registry in other marine nations like Great Britain.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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MONOPOLIES

NEWSPAPER INDUSTRY—REPORTED INCREASE IN ADVERTISING RATES BY "WINNIPEG FREE PRESS"—MOTION UNDER S.O. 43

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The recent demise of the Winnipeg *Tribune* has left Winnipeg with only one daily newspaper. On October 7 it was reported that the *Winnipeg Free Press,* now enjoying a monopoly position, will be increasing its advertising rates by as much as 37 per cent effective December 1, 1980. Therefore, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls upon the government to introduce effective competition legislation creating the conditions for a genuine free press.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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MINING

REQUEST FOR FEDERAL-PROVINCIAL-INDUSTRY MEETINGS TO IMPROVE SAFETY—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, and I mean urgent and pressing necessity. The recent increasing incidence of injuries and fatalities in the mining industry cries out for action. Therefore, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That this House request that the Minister of State for Mines and the Minister of Labour exercise their respective responsibilities and immediately provide leadership through joint federal-provincial-industry meetings and action to reverse this tragic performance in industrial safety.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

POST OFFICE

FORT McMURRAY, ALTA.—REQUEST FOR IMPROVED SERVICE—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the postal service in Fort McMurray is unable to expand mail delivery to new districts in Fort McMurray due to a lack of staff and present budget allocations for staff, and whereas Fort McMurray is a high growth area and new subdivisions are being built eight to ten miles from the nearest post office, causing severe hardship to residents of these new areas, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House instruct the minister responsible for the Post Office to review immediately the budget allocation to Fort McMurray and provide the necessary funds to provide the proper service required so that—

And I quote the government's constitutional proposal.

—every citizen may move to and take up residence and pursue the gaining of a livelihood in any part of Canada without the prejudice which is presently being manifested by the lack of federal government services to Fort McMurray, Alberta, Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN TELECOM

RECEIPT OF INTERNATIONAL INDUSTRIAL AWARD—MOTION UNDER S.O. 43

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. On Monday, October 6, Northern Telecom was informed by the Institute of International Promotion and Prestige of Geneva, Switzerland, that the Institute had selected it for its highest annual honour, the international industrial award. The institute is presenting the award to Northern Telecom in recognition of its emergence as a successful multinational, its record of penetration of key telecommunications markets outside of Canada and its technological leadership.

Northern Telecom Limited is the first Canadian company to receive the international industrial award and only the second company in North America to be so recognized. Therefore, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the Government of Canada pass on to Northern Telecom Limited its best wishes for this prestigious accomplishment and continued success in maintaining Canada's exceptionally high profile in the field of computer technology.

Madam Speaker: I think we will have to revise this matter of offering felicitations under Standing Order 43. I will accept this one for today but I think there should be a discussion among House leaders about this.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

CONGRATULATIONS TO PAST AND PRESENT PAGE STAFF—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I accept your admonition. With respect to strangers in the House may I point out to you the urgency of my motion under Standing Order 43, which arises from the recognition that since the opening of Parliament on Monday we have had among us 38 of the perhaps most welcomed strangers this House has had occasion to have visited upon us. They are the best, Madam Speaker, I might add, of over 300 applicants from all corners of this nation. These strangers are neither elected nor are they officers of the House.

I want to set the record straight, thus the urgency of my motion. I move, seconded by the hon. member for St. Boniface (Mr. Bockstael): That this House expresses its appreciation to those pages, those young men and women, who served us so ably last year, and extends to the 38 "strangers" our congratulations and welcome, expressing at the same time our collective hope that their work and effort among us is both rewarding and fulfilling, as we all know it was for their predecessors.

Madam Speaker: This motion requires the unanimous consent of the House. I gather there is unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Moved by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House expresses its appreciation to last year's pages and extends its congratulations and welcome to the new "strangers", expressing at the same time that each and every one will find their work with us rewarding and fulfilling in every way.

Motion agreed to.

• (1415)

WEIGHTS AND MEASURES

REQUEST FOR FINANCIAL ASSISTANCE FOR RETAILERS REVERTING TO IMPERIAL SYSTEM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, now that the federal government is following the course which was set by the former Progressive Conservative government in postponing the implementation of the metric system in the retail food sector on January 1, 1981, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the high cost to the retail food stores in Peterborough, Sherbrooke and Kamloops of converting back to the imperial system in order that they can use the same system of measurement as the rest of the country, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this government show compassion for these independent food retailers and offer them financial assistance to ease the difficulties caused by this necessity of reconversion back to the imperial system.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

REQUEST ENERGY POLICY BE TABLED—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise under the provisions of Standing Order 43 on a motion which is directed at the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Lalonde). I expect it will get unanimous consent.

Whereas there is no energy policy in this country at this time—the tar sands developments have stopped and there is no oil pricing agreement—and whereas the Prime Minister has been spending all his energies on the constitution and has met with the Premier of Alberta, I believe, for two days, I move, seconded by the hon. member for Beaches (Mr. Young):

That the government move right away to deal with the real concerns of the ordinary Canadian and table in the House of Commons forthwith an energy policy for Canada.

Madam Speaker: Such a motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

CR CLERKS DISPUTE—REQUEST FOR STATEMENT ON SETTLEMENT REACHED

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the President of the Treasury Board. On October 6 the minister made a statement to the hon. member for Nepean-Carleton with regard to the settlement with the clerks. As it appears in *Hansard*, he said, "in the event that an agreement is reached I would be very pleased to return to the House and advise the House".

Would the President of the Treasury Board indicate when in fact he intends to make that statement? I am quite sure that we could get unanimous consent now for such a statement if the minister would care to make it.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I welcome this opportunity to make any statement in response to questions from the hon. member for York-Peel. He probably has a number of supplementary questions at his disposal, being the lead-off questioner. If there are any details of the arrangement which have not already been released and which the hon. member would like to have, I would be more than pleased to furnish them.

Mr. Nielsen: What happened to the commitment to the House?

Mr. Stevens: Madam Speaker, I find it shocking that in a matter involving over $600 million in payroll, and after the President of the Treasury Board found time to post a notice in the press gallery that he would meet with the press after question period, and after distributing a press release, that he would turn up and affront the House by stating that he has no statement to make other than through answering questions.

Mr. Crosbie: Resign.

Mr. Nielsen: Another broken promise.

Mr. Stevens: Would the President of the Treasury Board indicate two things to the House: What is the total cost of the settlement arrived at; and would he specifically indicate the cost of the extra 4 per cent which he added on to the original majority conciliation board report as grounds for settlement?

Mr. Johnston: Madam Speaker, I would be glad to do the extrapolation for the hon. member because I have found his arithmetic in the past somewhat inadequate. The additional cost per employee over the two-year period from the time we made our last offer, which is well known and which was commented upon by the Leader of the New Democratic Party the other day, is in the order of $234 per clerk over the two-year period which we think is very generous, Madam Speaker, and very helpful.

• (1420)

Mr. Stevens: A supplementary question, Madam Speaker. Since the President of the Treasury Board took to the airwaves, TV and the print media during the time of this strike to indicate how firm he was going to be in disciplining those who would break the strike or act illegally, I note that the press release from the Public Service Alliance states—and this is in quotes—"According to the agreement the employer would freeze disciplinary action".

Would the President of the Treasury Board indicate why the Public Service Alliance has said that, in view of the inconsistency in his press release in that he claims that he does intend to go ahead and discipline the various employees who may have broken the law? In short, has he in truth turned out to just be a mouse that was roaring?

Mr. Johnston: Madam Speaker, I have indicated on many occasions, as the hon. member for York-Peel rightly points out, that we consider disciplinary action, where there is illegal strike activity, to be an essential element in the collective bargaining process in order to make that process effective.

An hon. Member: "But—"

Mr. Johnston: I can assure the hon. member for York-Peel that, notwithstanding what he may have read into any press release from the Public Service Alliance, which I, incidentally, have not seen—

Mr. Stevens: There it is.

Mr. Johnston: —the arrangement is very clear. Employees who are subject to disciplinary action will receive notice of discipline from their respective departments. Then a special joint review committee will be established, consisting of a representative or representatives of the union and representatives of the employer, to determine whether the discipline recommended by the department is fair and just in the circumstances. We think it only fair, due to certain controversies that have arisen in particular parts of the country, that those circumstances should be objectively determined before discipline is, in fact, applied.

If there is any disagreement, it will be referred to a third party, appointed by the PSSRB, and discipline will be applied in the normal fashion. In other words, if you like, this is a more expeditious review process to the normal grievance procedure, which these employees may also use if they care to; we are not excluding that possibility. The fact is there is no amnesty; there is no partial amnesty. Discipline will be applied as we have indicated. I hope the hon. member is satisfied with that situation.

Mr. Stevens: You had better explain that to the union.

Mr. Baker (Nepean-Carleton): Wait till Andy Stewart gets hold of that.

GOVERNMENT ADVERTISING

THE CONSTITUTION—INQUIRY AS TO AMOUNT SPENT ON PROGRAM

Hon. Jake Epp (Provencher): Madam Speaker, my question was to be directed to the Minister of State (Multiculturalism) in charge of government advertising or the Minister of Justice who is in charge of the constitution, so I shall ask it of the Right Hon. Prime Minister. The question concerns the continuing partisan advertising of the government of his constitutional package. In view of the present situation where the proposed resolution is before this House, could the Prime Minister tell this House and Canadians how much money has been authorized for spending on advertising, on billboards, in the print media and on television, for example, regarding the constitution, and whether the government has also approved additional spending?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the hon. member realizes, that kind of statistical question is better asked in the order paper or after having given notice.

An hon. Member: Give or take a million.

Mr. Trudeau: Yes, give or take a million. I do not know the figures, Madam Speaker.

Mr. Epp: Madam Speaker, again the Right Hon. Prime Minister. It might be correct that this question should be on the order paper, but questions have been asked of his ministers and we have not received the information in written form. I think it is imperative that as we now look at the constitution, and the debate is before us, referring back to his own Machiavellian memo, on pages 56 and 57 his advisers very clearly stated that it would be improper to advertise during the period of this debate.

I am asking the Prime Minister, therefore, in view of that advice—and he has followed every other bit of advice in that document to date—whether he will now give an order to withdraw the advertising on the constitution during the period that Parliament has this matter before it?

Mr. Trudeau: Madam Speaker, I must point out that when the hon. member refers to as my memo is, of course, a memo prepared by officials not under my supervision and one that they presented to the cabinet. I am happy now to see that the hon. member is quoting that memo with approval, and I hope he will realize that the thrust of that memo is that we should seek an agreement with the provinces.

● (1425)

ACCESS TO INFORMATION

PUBLICLY FINANCED POLLS—AVAILABILITY OF RESULTS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister. Last April I asked the Prime Minister if the government would, as a matter of policy, make available to all the people of Canada, through the House of Commons, all the information it was obtaining on the basis of publicly financed polls conducted by the government. The Prime Minister said then that he saw no trouble in principle and would get back to me. Being a patient fellow I waited until July. Then I wrote a letter making the same request. I got a reply yesterday from the Prime Minister saying that it turned out to be more complex than he had imagined.

Could the Prime Minister tell us what is so complex about a proposal that the people of Canada ought to have available to them opinions about themselves through polls which they have financed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would hope that my answer to the hon. member would have explained the facts to him, that the President of the Treasury Board and his officials are working together on compiling a list of all opinion polls conducted by the government over the last year or so. If there is a delay in providing the list, it is because we want to make sure that the responses of all departments are consistent with this spirit of the access to information bill. It should be available in a matter of weeks.

Mr. Broadbent: Madam Speaker, I have the letter here, and the last sentence in the letter from the Prime Minister says: "I would hope to be in a position to make much of the information available in the coming weeks." I think those words "much of the information"—not all of it—are rather significant. Therefore, I would like to ask the Prime Minister if he could establish for our benefit now the principles within which he is operating. In short, what is the principle that would justify the holding back of any opinion expressed by the people of Canada which the people of Canada are financing and is being collected by the government?

Mr. Trudeau: Madam Speaker, I just indicated in my answer that the information supplied would be in conformity with the access to information bill and eventual law of the Canadian government. There are certain circumstances where the revealing of the facts, or the information, or the policies, at a specific time are counter-productive.

Some hon. Members: Oh, oh!

An hon. Member: Such as the cost of your referendum.

Mr. Trudeau: This is what is stated in the access to information bill. There are certain circumstances where certain information would interfere, say, in international relations or in federal-provincial negotiations or in labour-management relations, and where we would want to hold the information until the result of the negotiations was made public.

Mr. Broadbent: Madam Speaker, we are not asking for sensitive matters which may pertain to national defence or what have you. I find it difficult, in principle, to understand even polling on such a matter, but could conceive that in matters of state, or national security, there is some hypothetical possibility of the government wanting to withhold information. I say that as a matter of principle, although I cannot think of a concrete example. What I would like to get from the Prime Minister is assurance that the general rule will be that all such information will be made available.

The second question I have is this. I just learned yesterday that an agency well known to the Liberal party, namely Goldfarb Consultants, has been awarded a $61,000 contract by the President of the Treasury Board to do a survey for the Department of Justice.

Mr. Crosbie: Shocking.

Mr. Broadbent: Specifically, could the Prime Minister or the minister tell us what the subject matter is of that survey? When will the data be in, and will it at least be made available to the people of Canada?

Mr. Trudeau: Madam Speaker, the hon. member asks that assurance be given, at least in principle, that we agree the information should be made available. That is the thrust of my answer, and that is what I said in my letter. The hon. member says he finds it difficult to justify hypothetical exceptions. Precisely. Let us wait to see whether there are any exceptions and then the hon. member will try to justify them.

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GOVERNMENT ADVERTISING

THE CONSTITUTION—INQUIRY WHETHER PROGRAM WILL BE DISCONTINUED

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Minister of Justice my question is directed to the Prime Minister. Given the right hon. gentleman's new found interest in the noble institution of Parliament, I would like to ask the Prime Minister this. The advice that was contained in the famous leaked memo of August 30 reads as follows:

> Ministers must recognize the distinction between advertising as a negotiating tactic and its use as a tool to sell the government's programs over the head of the opposition . . . Under these circumstances, ministers need to decide if advertising is politically legitimate.

● (1430)

I want to ask the Prime Minister if, in the face of that information, it is the government's intention, in light of the fact that the measure is still before the House, to proceed with this advertising, which seriously undermines the role and the responsibility of Parliament?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, advertising which is meant to convey information to the public of Canada about what is going on—

An hon. Member: The republic of Canada.

An hon. Member: Brainwash the republic.

Mr. Trudeau: A man over there is talking about his brain being washed, Madam Speaker. I don't know, there may not be all that much to wash.

Some hon. Members: Hear, hear!

Mr. Trudeau: I do not think the people of Canada are as afraid of information as members opposite seem to be.

Mr. McGrath: Madam Speaker, the Prime Minister does not seem to understand that what he is doing is seriously undermining the role of Parliament to debate a government measure that is now before the House. What he is in fact doing is using the taxpayers' money to sell the Liberal party's position to this country. That is patently wrong and irresponsible.

The Prime Minister says a million here or a million there. We know that $6 million has already been spent. I want to ask the Prime Minister this. How can they find $6 million for a questionable advertising campaign when $6 million has been denied to the Minister of National Health and Welfare which would provide an immunization program for children in this country under five years of age and would have 99 per cent effectiveness?

Some hon. Members: Hear, hear!

Mr. McGrath: How come on the one hand—and the Minister of National Health and Welfare need not have a questioning look on her face because it came from her own—

Madam Speaker: Order, please. I believe the question has been asked.

Mr. Trudeau: Madam Speaker, I am sure all of us on all sides of this House could find ways of effectively spending $6 million. That is the job of every government. We could cut the staffs and increase the price of lunches in the parliamentary restaurant, raise some more money and spend it on poor children.

Some hon. Members: Oh, oh!

ENERGY CONSERVATION—INQUIRY AS TO PROPRIETY OF PROGRAM

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is diverted to the Minister of Energy, Mines and Resources. It deals with his multimillion dollar advertising campaign which is laid out in a document leaked earlier this summer. The document describes his strategy for conditioning the Canadian public to believe that this Liberal government is doing a good job of managing the energy situation. It outlines all kinds of dubious tactics, but does not even raise the question of the constitutional document questioning the legitimacy of spending taxpayers' money to permit what will be deemed by many to be a partisan representation. My question to the minister is this. Before he approved this program, did the question of the propriety of this program come to his mind? Did he consider it? What arguments did he present to justify this improper propaganda campaign using the taxpayers' money?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member refers to a memo drafted by an official. I would be very happy to send him a press clipping at the time this memo became public. When the official was interviewed by the press, he indicated that his memo had been rejected by his minister. I suggest that before quoting memos as government policy or the policy of a minister, the hon. member should at least get proper information.

As far as the advertising put out by my department during the summer is concerned, I suggest that the hon. member take the trouble to read it. That advertising is quite clear. It puts before the public the importance of conserving energy so as to ensure that we are going to have the support of the people of Canada to act on their own in terms of supporting all our efforts toward conservation of energy and replacement of oil by other forms of energy, particularly through the excellent "Enersave" program which the federal government set up and which is working very well. If the hon. member will bother to check, he will see that what has been put forward has been institutional advertising aimed at informing the Canadian public about the importance of conserving energy and the importance of substituting other forms of energy in place of oil. I believe that such a policy has the support of all parties in this House and all governments in this country.

Some hon. Members: Hear, hear!

Mr. Andre: Madam Speaker, the actions of this government belie the statement just made by the minister that this program has been cancelled, because there have been three ads so far, each of which contained the kind of Orwellian double-speak that this document deals with. This kind of propaganda campaign is outlined in a document by one of his officials, a document which talks not about perspective but which describes an $11 million program in some detail and what kind of words officials use to create a condition rather than how to transfer facts to the public. If he is sincere in rejecting the philosophy behind this document of government propaganda, of Orwellian double-speak, will he here and now cancel that $11 million advertising program, save the taxpayers some money and save his dignity a little bit? Because surely he must be embarrassed by this program.

Mr. Lalonde: I wish to thank the hon. member for his great concern about my dignity, Madam Speaker. I want to repeat to him that this memo and the $11 million proposal was rejected by myself. What has been put in its stead is an

advertising campaign which clearly is centred on the importance of conserving energy and substituting other forms of energy for oil. Also it informs the public that Canada is a net exporter of energy. Contrary to what some of my friends on the other side try to make people believe, we have a surplus of energy in this country, apart from a shortage of oil. Canada has the ability to become completely self-sufficient and independent in energy in the next decade if we can get support for the policies we are putting forward.

Some hon. Members: Hear, hear!

* * *

ROYAL CANADIAN MOUNTED POLICE

DELAY IN COMPLETION OF McDONALD COMMISSION REPORT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General. Over the past several months the Solicitor General has stated on a number of occasions that the long delayed report of the McDonald commission would be finally completed by the end of this past summer. It is now mid-October and the commissioners stated just yesterday that they do not intend to be bound by any timetable, and, of course, their report is still not complete.

In view of the inexcusable failure of the Liberal government to commence prosecutions where there has been evidence of RCMP law breaking or to initiate any disciplinary action whatsoever in these circumstances, and in view of the lengthy delay in the report of the McDonald commission, what action does the Solicitor General intend to take to ensure that the rule of law is indeed upheld in this country?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I remind the hon. member that his party as much as others supported the establishment of this royal commission which, as he noted, is independent. It is doing its work. Now he wants to have both sides of it. The government decided to wait for the report of the commission before taking the kind of action that the hon. member has demanded. No one is more anxious than I to have the report of the McDonald commission. It will affect my ministry and give advice for reorganization that I would like to have. However, the commission is independent. Its terms of reference, which the hon. member's party supported, provide that it can report when it is ready to report. I have no control over that.

● (1440)

Mr. Robinson (Burnaby): Of course, Madam Speaker, it was over three years ago that this commission was established and we supported its establishment, but we did not support the terms of reference of the commission.

My supplementary question is again addressed to the Solicitor General. On May 8 of this year the Parliamentary Secretary to the Minister of Energy, Mines and Resources stated in response to a question from me regarding the McDonald commission: "Mr. Justice McDonald would prefer any action in terms of laying of charges to await his report". I have here a letter signed by Mr. Justice McDonald in which he states as follows:

> I am not aware that I have ever indicated that I would prefer the laying of charges to await the report of the commission of inquiry of which I am chairman.

He goes on to ask the government to correct this inaccuracy which was presented to the people of Canada through Parliament. In view of this inaccuracy which was stated in this House on May 8 last, will the Solicitor General now take this opportunity to correct the erroneous statement made on his behalf; and will he also take this opportunity to say that he will no longer hide behind the delay of the report of the McDonald commission but, as I way, will uphold the rule of law for all Canadians in this country?

Mr. Kaplan: Madam Speaker, I do not believe I have seen the letter the hon. member referred to and I would like to see it before commenting on it. The observation that was made about Mr. Justice McDonald's opinion was based on a statement that His Lordship made during hearings of the commission, copies of which were made public. I will take another look at it and perhaps answer a question about that in the light of the letter the hon. member is bringing to my attention now.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF FOREIGN MINISTER FOR SINGAPORE

Madam Speaker: Order, please. I should like to draw to the attention of hon. members of this House the presence in our gallery of the foreign minister for Singapore, the Hon. Suppiah Dhanabalan.

Some hon. Members: Hear, hear!

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AIRPORTS

MOUNT HOPE, HAMILTON—INQUIRY WHETHER STEPS BEING TAKEN TO ENLARGE FACILITY

Madam Speaker: I recognize the hon. member for Hamilton West.

Some hon. Members: Hear, hear!

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, in the absence of the Minister of Transport I should like to direct my question to his parliamentary secretary. What steps, if any, are being taken to implement the promise made to the Hamilton-Wentworth region to upgrade its airport by enlarging it?

Some hon. Members: Hear, hear!

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Madam Speaker, we are still committed to

the expansion of that airport, that multimillion dollar program. Consultation and planification is taking place with municipal authorities and we expect to have a tender call in the very near future.

Some hon. Members: Hear, hear!

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GOVERNMENT ADVERTISING

ENERGY CONSERVATION—CONTINUANCE OF PROGRAM

Hon. Bill Jarvis (Perth): Madam Speaker, my questions are supplementary to those put by my colleague, the hon. member for Calgary Centre, and I direct them to the Minister of Energy, Mines and Resources. I accept his advice to ignore for the time being the unfortunate document from his department leaked earlier in the year and I will concentrate on the contents of this multimillion dollar advertising program.

I would draw his attention to one advertisement which appeared in the *Citizen* on August 15. The caption was "We Canadians produce more energy than we use". That is hardly conceived to encourage conservation. Setting that aside, let me point out that ad specifically says that last year we imported a net $500 million in petroleum and petroleum products. That is the content of the ad, and that is the equivalent, on the basis of $22 per barrel, of 62,300 barrels per day net imports. I think that is a very fair calculation for 1979.

Will the minister explain how he can possibly permit the continuance of that incorrect information when the National Energy Board has said our imports were 334,000 per day, Stats Canada has said they were 322,000 barrels per day, the Department of Energy, Mines and Resources in a report to the Senate said the figure was 227,000, and the most unimpeachable source of all, the minister, in Vancouver on September 15 of this year, said the figure was 150,000 barrels per day? How can the continuance of this campaign be permitted in view of these four impeccable sources?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, once again my honourable colleague does not make the distinction between energy as a whole and oil as one specific element in the consumption of energy in Canada. With regard to the total reserves of energy in Canada, and this is a fact no one has any reason to hide or doubt, we are net exporters of energy. It is high time the opposition got that through its skull, if it is not aware of the facts.

As for oil as such, we are net importers, and that we have said time and time again. The figures mentioned by the hon. member, which I too have quoted, are there to indicate it, to prove it. As for the specific figures quoted from the advertisement referred to by the hon. member, once again I must point out that he is referring to last year's figures. If I understood his question correctly, and I can assure him those figures were checked by officials of my department, they correspond to the reality.

[*English*]

Mr. Jarvis: Madam Speaker, is the minister suggesting that he can continue to spend millions of taxpayers' dollars in the face of that deliberately misleading statement? I do not accuse him of being responsible for it, but it is misleading to the extent that Canadians are being told on the one hand in an advertisement that we import 62,000 barrels per day, when in other statements, not the least important of which was the minister's, it has been indicated that it is at least two and a half times as much?

I will set that aside and let the minister consider it because I want to ask him about another ad dealing with Arctic resources, and the minister is familiar with that advertisement. It contains several inaccuracies, inaccurate to the degree that the minister has been contacted by the Canadian Arctic Resources Committee. Why has the minister refused to answer at least two letters of inquiry from that committee; will he withdraw that particular advertisement; why is the Department of Consumer and Corporate Affairs not investigating this; and will the subject matter of the entire advertising program be referred to the appropriate standing committee?

Mr. Lalonde: Madam Speaker, I want to challenge very completely the statement by the hon. member that the advertisement he was referring to was misleading in any way, shape or form. The statements are there and they correspond with the facts.

As far as the second advertisement to which the hon. member referred is concerned, indeed I have been contacted by the Canadian Arctic Resources Committee, I have examined very carefully the statements and the allegation, and up to now I have been able to find only one point the committee raised which corresponds to an omission, and that was the omission of reference to Dome Petroleum as being one of the partners in the Arctic pilot project. As far as the rest is concerned, the statements made in the advertisement are completely according to the facts.

THE CONSTITUTION—INCREASED EXPENDITURE ON PROGRAM

Mr. John Bosley (Don Valley West): If I may, Madam Speaker, I would like to return to some questions about the constitutional advertising. I had intended to direct questions to the Minister of State for Multiculturalism on publicly paid for Liberal propaganda, but he is not here so perhaps I can turn to the President of the Treasury Board. I should start, perhaps, by indicating to members opposite that those on this side like the new ad showing all the Liberal parliamentary secretaries dressed up as beavers holding signs. We think that is terrific!

Some hon. Members: Hear, hear!

● (1450)

Mr. Bosley: There was an indication given in the recent Quebec press and through the CBC to the effect that the

budget for the publicly paid, partisan Liberal constitution advertising has been approved by Treasury Board to increase for this fiscal year from $9 million to $30 million or $35 million, against all the arguments which have been made by the other side. Can the President of the Treasury Board confirm that?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have not seen the reports in question.

Some hon. Members: Come on!

Mr. Johnston: I would be happy to review them if the hon. member would be kind enough to provide me with them.

Mr. Bosley: Madam Speaker, I suppose I am not surprised that the President of the Treasury Board does not know anything about matters before the Treasury Board. He has shown that with respect to the labour negotiations of the last three or four weeks.

Can he tell me, please, whether the fact that the memo which was discussed in debate at the first ministers' constitutional conference has not been government policy—the memo says that the fundamental question to be addressed concerns the legitimacy of spending taxpayers' dollars to promote what will be deemed by many to be a politically partisan position—would lead him, should there ever be a request to increase this pork-barrelling by the Liberal government, to accept his responsibility as President of the Treasury Board and refuse any increases in this politically partisan budget?

Mr. Johnston: Madam Speaker, it is not our practice in the Treasury Board to make decisions, on the basis of press commentary, as to whether expenditure is or is not a good thing.

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EXTERNAL AFFAIRS

DISCUSSIONS BETWEEN MINISTER AND PRIME MINISTER THATCHER ON CONSTITUTION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I wonder if the Secretary of State for External Affairs would give the House a brief summary of his four-minute discussion with Prime Minister Margaret Thatcher on constitutional matters.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, my colleague, the Minister of the Environment, and I spent almost an hour with the Prime Minister of the United Kingdom.

An hon. Member: How many in the waiting room and how many talking to her?

Mr. MacGuigan: We explained to her the details of the government's proposal for patriating the constitution and other matters in the proposed resolution. We explained our reasons and discussed with her the timetable problems she faced and her gracious willingness to organize her timetable in such a way as to accommodate us.

Mr. Lawrence: Madam Speaker, I wonder if in his brief report the Secretary of State for External Affairs would include the reply he received, if any, or any assurance he received from the Prime Minister of Great Britain, and if in that brief time he was also able to explain to her the 12 or 14 other viable and meaningful alternatives to the government proposal which exist.

Mr. MacGuigan: Madam Speaker, it is the Government of Canada which is adviser to the United Kingdom government on matters affecting the Canadian constitution, not the opposition and not the provinces.

Mr. Clark: Parliament?

Mr. MacGuigan: Parliament advises the United Kingdom parliament and government; but in speaking of constitutional advice, constitutional advice is given by our government to their government. For the information of the hon. member, we did not go cap in hand to ask for anything.

Mr. Crosbie: You went with truncheon in hand.

Mr. MacGuigan: We went to explain. We had assurances from previous occasions that the constitution convention would be accepted by the British government and, I might say, by the opposition parties as well.

An hon. Member: Did you put up billboards?

Mr. MacGuigan: The discussion centred on the modalities rather than on the substance.

Some hon. Members: Hear, hear!

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FISHERIES

INQUIRY RESPECTING GOVERNMENT AID TO B.C. SALMON FISHERMEN

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is for the Minister of Fisheries and Oceans. The minister will be fully aware that the B.C. salmon fishing industry was at least disastrous this year as a result of lower runs of salmon, increased cost of borrowing money, increased cost of equipment and lower prices for salmon. The minister will also be aware that many fishermen in British Columbia are in serious jeopardy and threatened with the loss of their vessels. I would like to ask the minister if he or his government at this time have any aid program to announce to assist those fishermen and, if so, when will it be introduced, and under what kind of program is the minister hoping to aid those fishermen?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I recognize that there has been a rather low trough in the cycle of the Pacific salmon. In fact, we are expecting a considerable improvement next season. We have been monitoring in co-operation with the fishermen's organization the difficulties which are being met, although it is only now that we have a fairly good assessment of the real extent of the problems they are facing.

I might say to the hon. member that two very senior people have undertaken on my behalf an examination, in consultation with all representatives of the industry. I hope their report will be in my hands in the next week or ten days. In fact, if it is not during the week of the budget, I intend to meet the B.C. fishing representatives on the week of the twentieth.

Mr. Miller: Madam Speaker, I remind the minister that part of the real difficulty facing fishermen in British Columbia is the callous attitude of his government in allowing interest rates to float freely. The problem they have is meeting the 15 per cent to 20 per cent interest costs. In addition, in order to remain competitive in the industry because of overcapitalization they have had to invest in larger vessels. The issue is that there are people right now who are losing their vessels, and I would like the minister to give some assurance that within the next ten days or when he receives that report, he will seriously think about giving some interim support to the fishermen of British Columbia.

Mr. LeBlanc: Madam Speaker, I will be meeting with the representatives of all the fishing interests including the union, the trollers and the other organizations. So far they have indicated that they might have problems meeting payments in some individual cases. I asked that they inform my department, and if there is a significant number who do come forward, we will obviously try to assist them. But I really think the hon. member at the moment is slightly exaggerating the dimension of the problem.

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PUBLIC SERVICE

CR CLERKS DISPUTE—DISCIPLINARY ACTION AGAINST EMPLOYEES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the President of the Treasury Board. If I understood the minister correctly, he said that apart from breaches of the criminal law questions of discipline would be referred to a special joint review committee. I wonder if the minister can tell us whether he as minister retains any further authority on questions of discipline after those matters have been referred to the special joint review committee.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the normal procedure is that if an employee feels that he or she is being improperly disciplined, there is a grievance procedure at the moment which is under the auspices of the Public Service Staff Relations Board. In the normal circumstance, once the discipline is applied by the appropriate department—the minister of that department has made his position clear and has applied discipline—the matter then goes through the grievance procedure.

What is being suggested here is simply a parallel procedure which will consist of a special committee and joint committee consisting of union representatives and management representatives. If there is disagreement on the severity of the penalty, which would already have been imposed at that point—and the department in question would have notified the employee involved—then the matter can go to a third party appointed by the PSSRB. That is the procedure which has been agreed upon, and it is designed in particular to take into account the circumstances I referred to where there is some question in certain parts of the country as to whether the departments did or did not act properly in certain very particular circumstances.

Mr. Clark: Madam Speaker, if I understand that correctly, the minister is saying that he is delegating away his authority to impose discipline. That was an authority he undertook in this House to impose in response to questions the other day. Will this review committee, which is being established to become involved in deciding whether the minister's word to Parliament will be kept, deal exclusively with CRs, or will it deal also with other public servants who might have taken actions which breached law other than the criminal law?

Mr. Johnston: Madam Speaker, perhaps the right hon. Leader of the Opposition is unaware that discipline is normally applied in all such circumstances by the departments involved and not by the Treasury Board. However, that aside, I am sorry but would the right hon. member care to repeat the second part of the question?

Mr. Clark: Madam Speaker, I have a great deal of patience for the minister. The second part of the question was as to his guarantee to this House of Commons on Monday that discipline would be effected against public servants who broke the law. Will the review committee he has established, either to carry out or to smother his promise to Parliament, touch simply CRs, or will its authority also extend to other public servants who might have breached a law other than the criminal law?

• (1500)

Mr. Johnston: I apologize, Madam Speaker, for that slight slip of memory in reply to the question. The disciplinary procedure which we are recommending, and this special procedure for review of the discipline which will be applied by departments—I make that point clear, nothing is being smothered, this is a normal disciplinary procedure which will be applied—the review procedure which I have outlined, will apply to all member units of the Public Service Alliance of Canada, all the bargaining units of the Public Service Alliance. It will not apply to other bargaining units. In other words, it will apply to circumstances such as that of firefight-

ers at the Toronto International Airport, for example, who are members of the PSAC.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SOMALIA—REQUEST EMERGENCY AID PROGRAM BE STUDIED

Mr. David Berger (Laurier): Madam Speaker, my question is directed to the Secretary of State for External Affairs. As Somalia, one of the poorest countries in the world, is facing an influx of over one million refugees, as well as a shortage of 100,000 metric tons of food and the loss of oil supplies from Iraq, could the minister consider setting up an emergency assistance program including the CIDA recommendation, according to which Somalia should be considered as a target country in terms of bilateral aid?

[*English*]

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I should like to thank the hon. member and our colleague from Fraser Valley West, both of whom have shown in recent days such concern for international relief and international humanitarian affairs. Canada is the second largest contributor to the world food program and a very great effort is being made in the horn of Africa. We have also contributed $2 million to the African fund of the International Red Cross which also is devoting all of its resources to that particular problem. I will be very pleased to meet the two hon. members and to review, in light of the needs and also of our available resources, whether there is anything further we can do to assist in this serious problem.

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PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—ANSWERS GIVEN BY PRESIDENT OF TREASURY BOARD

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have risen on a question of privilege on the assumption that the question period is over. I apologize to you, Madam Speaker.

Madam Speaker: I was about to interrupt the question period but I had decided to let the hon. member ask a question. I will recognize him now on a question of privilege.

Mr. Baker (Nepean-Carleton): My question of privilege involves two points of privilege, first, the answers to questions today given by the President of the Treasury Board (Mr. Johnston) with respect to the completion of the agreement which was reached with the public servants to which we referred, and an earlier one arising out of a question which I put to him on October 6 and the undertaking which he gave to me on the same day. Madam Speaker, you will recall that at

that time I said the following, as reported at page 3271 of *Hansard* of that day:

Because of the importance of this meeting—

I was referring to the meeting which led to the completion of the agreement.

—will the minister undertake to return to the House when the day's work is over, if that day's work is definitive, and make a statement to the House in respect of the results of that meeting and their impact on the work stoppage in the public service?

His answer to me was as follows:

It will not be my intention in any way to prejudice these negotiations by making premature statements regarding the content thereof. Obviously in the event an agreement is reached I would be very pleased to return to the House and advise the House.

In the context, my question to him was to advise the House by way of a statement, and that is the reason I used the words "and make a statement to the House", which is part of our proceedings. That is exactly what I had in mind. That is the first aspect of it, and I think the minister should consider whether he could wait for just a few minutes before going out to meet the press, and make a statement here in the House of Commons so we will know what the results were.

The second aspect of my question goes to the line of questioning which underscores what I was asking for as a result of the question of the hon. member for York-Peel regarding disciplinary action. We have now in our hands two written statements, one by the President of the Treasury Board dated today for immediate release, and the other by the Public Service Alliance of Canada, also dated today for immediate release, and they are different. That is why a statement to the House is quite important. These two written statements are different with respect to discipline.

I do not want to re-read the whole of the minister's statement, but the important thing is that from the point of view of the government he says:

—that no amnesty has been granted, partial or otherwise—

That is his position. It goes on:

Those who have broken the law—

Civil or criminal, here I paraphrase.

—must face the consequences, subject only to careful review of the circumstances in individual cases.

That is a very hard line which the minister has taken. I am not quarrelling with him taking it, but that is what he has taken.

The statement which has been made by the president of the Public Service Alliance is completely different. It says this:

According to the agreement the employer would freeze disciplinary action—except for those actions related to criminal acts.

In other words, if they are going to carry on with respect to civil acts, the minister's answers to the questions indicate another proceeding altogether.

Madam Speaker, it may be that the President of the Treasury Board might argue that he is not bound to make a statement to me if he does not choose to do so, except for the

fact that he said he would. I took it, and I think the House took it, that he would be making a statement in the House when matters were definitive. In any event, I think members are entitled to a statement from him. I would hope that we could wait for just a few moments for a statement from the minister here in the House so that we could question him and have a number of things cleared up now. It is clear that a wrong impression has been left with regard to the outcome of these negotiations, by either the President of the Treasury Board or by the president of the Public Service Alliance, perhaps by both in good faith, but I think the House is entitled to have the releases explained, and I hope the minister will comply with what I believe to be a reasonable request.

Mr. Nielsen: And members should know this, before the press.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, may I say, in reply to the first part of the question of privilege, that the hon. member has referred to *Hansard* of October 6, 1980, and I remember the exchange very well. He asked me, and again I will quote as he has done:

Because of the importance of this meeting—

That meeting was taking place, you might recall, Madam Speaker, at four o'clock in the afternoon of October 6.

—would the minister undertake to return to the House when the day's work is over, if that day's work is definitive, and make a statement to the House in respect of the results of that meeting and their impact on the work stoppage in the public service?

When that question was put to me, I replied that if we did reach agreement during that negotiating session, I would be very pleased to return and to advise the House.

As matters turned out, I would dearly have loved to have returned and advised the House, but as hon. members might well know, negotiations continued through the night without interruption, continued all day yesterday without interruption, and an agreement was finally signed late last night.

Mr. Nielsen: Tell us about it.

Mr. Johnston: It seems to me, Madam Speaker, that I gave hon. members every opportunity and did advise them in response to the questions put to me by the hon. member for York-Peel. I regret if I have in any way misinterpreted the question which has been put to me by the hon. member for Nepean-Carleton (Mr. Baker), but I do feel that I have fulfilled my obligation to him in advising the House. I can assure him that had an agreement been reached on that Monday, I indeed would have returned to the House and, in one form or another, would have advised the House of the agreement.

With respect to the second part of the question, the hon. member has me somewhat at a disadvantage because I have not seen any statements issued by the Public Service Alliance of Canada. I have simply advised the House, in my response to questions from the other side, initially in response to questioning from the hon. member for York-Peel (Mr. Stevens) and subsequently in response to questions from the Right Hon. Leader of the Opposition (Mr. Clark), that a special procedure had been established to review the discipline which is to be applied by various departments in respect of illegal activities carried on during the course of the strike. That answer does not change.

• (1510)

If the president of the Public Service Alliance of Canada interprets that as a freeze, then perhaps he is entitled to do so. In other words, there was a certain appeal procedure established, and until that appeal procedure is carried forward and until the individual circumstances of each case are examined, I suppose one would be entitled to say that at least there is a suspension of the application of the penalty. But there is no question that the line I have taken is hard and is intended to be hard.

I hope the hon. member who put the question to me shares my belief, and the belief of the government, that it is essential our collective bargaining agreement be honoured, that we not place the people of Canada in a position where they can be held hostage by illegal activities carried on by various unions that do so on the assumption that they will be relieved from the penalties attached to those illegal activities. I stand firm on that, and the government stands firm on it. I hope I have the support of all members of the House in supporting that kind of an approach and that policy.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I rise on the same question of privilege. I should like to comment on both aspects of my colleague's question of privilege, the first being the clear undertaking given by the President of the Treasury Board (Mr. Johnston) to make a statement in this House. I would only suggest that the President of the Treasury Board has acknowledged that there may have been a misunderstanding, and I think he said that he was sorry for that. He can rectify that very quickly. He can rectify it, not by walking out of the House, but by making a statement now. It does not have to take too long. We have yet to reach motions in the orders of the day. If the President of the Treasury Board wishes to be co-operative with the House and wishes to live up to the undertaking he gave, he can make a statement in the House.

I should like to refer to the words of my colleague, which read as follows:

—and make a statement to the House in respect of the results of that meeting and their impact on the work stoppage in the public service?

As is agreed, the President of the Treasury Board came back and said:

—I would be very pleased to return to the House and advise the House.

This was providing there was an agreement on that day, the next day, or a week away. Essentially, the understanding was that if there was an agreement he would be pleased to come back and advise the House, as was requested by the hon. member for Nepean-Carleton (Mr. Baker).

On the second point, I thought I would be helpful in saying that as there is an obvious difference in the reading of what

was signed in the form of at least a tentative agreement between the employer and the employees, it would be helpful if the President of the Treasury Board would undertake to table the agreement in the House so that we can actually see the wording with respect to whatever disciplinary action or no disciplinary action there is to be taken with respect to those who have acted illegally.

I do not wish to delay the House. I would only point out that the President of the Treasury Board has made repeated statements in this House indicating that he intends to uphold the law, and I emphasize the civil law. If agreements are broken he will see to it that people are held responsible. Yet, we now have two conflicting statements as to what in fact will be the form of discipline, if any, which will be brought against some people who broke the law.

Also we are faced with the fact that the President of the Treasury Board has now apparently delegated to another group—a labour-management group, eventually an arbitrator—the entire question of discipline other than anything of a criminal nature. This is a very, very serious problem if in fact it has been agreed to. Now we are in the position of where the second great mistake has been made by the President of the Treasury Board. He acquiesced in a too "small" liberal, settlement for the postal workers. Now he has virtually undermined the entire system of collective bargaining which we have in this country by, in the one breath, in effect talking sternly about discipline and, on the other hand, simply delegating any future responsibility for discipline to a committee of labour and management.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there are two things. First, opposition members are talking about answers that the President of the Treasury Board (Mr. Johnston) gave them, when obviously they would have preferred different ones, or else they do not understand those given. In any event, the fact that they are dissatisfied with the answers given or, as they admit, that they do not understand them as they would want to, does not constitute a question of privilege.

The second point, Madam Speaker, is that a minister does not have to make a statement in the House. As we all know, under Standing Order 15(3), a minister may make a statement if he wishes, but he is not required to do so. The President of the Treasury Board has indeed shown respect for this institution in two ways. First of all, he postponed his press conference until after question period. He could have held it this morning or before question period. However, out of respect for this institution, he waited until questions had been put to him in the House before talking to the media. Second, he made himself available during the entire question period to answer questions from the hon. member for Nepean-Carleton (Mr. Baker) or any other Conservative or NDP member. He was available and provided complete and honest answers. And if hon. members of the opposition are not satisfied with the gist or substance of these answers, this is not grounds for rising on a question of privilege, Madam Speaker, just something to be debated.

For these two reasons, therefore, I respectfully submit that there are no grounds for this question of privilege, because the President of the Treasury Board has answered very well, he has respected this institution by answering all the questions directed to him, he has delayed his press conference until the oral question period is over, and he is not bound to make a statement pursuant to Standing Order 15(3).

[*English*]

Mr. Munro (Esquimalt-Saanich): On the same question of privilege—

[*Translation*]

Madam Speaker: Indeed, I can hardly conclude that there are grounds for a question of privilege. Obviously, the hon. member for Nepean-Carleton (Mr. Baker) is not happy with the way the minister has fulfilled or interpreted his obligations toward him.

The minister has provided answers which the hon. member for Nepean-Carleton feels are inadequate, but insisted that he had not undertaken to make a statement, only to keep the House advised of any new development.

The hon. member for Nepean-Carleton is still not satisfied with these answers. But I must regretfully rule that this is only a debate, that at best it is just a grievance against the minister who, according to the hon. member, had made certain commitment which he has failed to meet.

Therefore, this is not a matter for a question of privilege, and I cannot entertain the point raised by the hon. member for Nepean-Carleton.

[*English*]

MR. ROBINSON (BURNABY)—STATEMENTS MADE BY PARLIAMENTARY SECRETARY DURING ADJOURNMENT DEBATE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question of privilege relates to a question I raised earlier in the House with the Solicitor General (Mr. Kaplan). It arises initially from a proceeding in what we refer to as the "late show" on May 8, 1980, in which I raised certain questions following up on a question to the Solicitor General.

In reply the then parliamentary secretary to the Minister of State for Mines, apparently speaking on behalf of the Solicitor General, made certain statements. Subsequently it came to my attention that those statements were such that the parliamentary secretary apparently inadvertently misled the House. During the course of my question in question period today, I gave the opportunity to the Solicitor General to clarify the position and to correct the erroneous statements made by the parliamentary secretary to the Minister of State for Mines.

I believe the Solicitor General stated that in fact he had not received this letter previously. I was informed by the former

parliamentary secretary to the Minister of State for Mines that he had forwarded a copy of this letter some time ago to the minister and, indeed, that I should obtain a copy of the letter from the minister himself. I do not quite understand how it could be said that the minister had not received a copy of the letter from Mr. Justice McDonald, dated May 14, 1980. The concern that I have relates to a couple of sections of the letter.

● (1520)

The letter is sent by Mr. Justice McDonald, chairman of the McDonald commission, to the parliamentary secretary. In this letter he states that the response which was given to me in this House and, of course, through this House to all Canadians, was not correct.

He states, after referring to the answer which was given by the parliamentary secretary:

I am not aware that I have ever indicated that I would prefer the laying of charges to await the report of the commission of inquiry of which I am chairman. My fellow commissioners are also unaware of any of the Commissioners having said that.

He then goes on to refer to certain statements made during the course of commission hearings, which I believe may have been alluded to by the Solicitor General today, and he concludes as follows:

I trust that you will bring this correction to the attention of those who may have understood that the position of my fellow commissioners and myself was as indicated—i.e. that we "would prefer any such action to await his report".

Here we have a clear indication on the part of the chairman of the commission that this House has indeed been misled. This letter was written on May 14. I only received a copy of the letter today after persistently pressing both the parliamentary secretary and requesting the staff of the Solicitor General for a copy of the letter. The House was sitting from May 14 until well into July. At no time did either the Solicitor General, or the parliamentary secretary who received this letter, take any opportunity whatsoever to correct the record, to correct the erroneous statement which was made not only to myself but to all Canadians, and which is presently recorded in *Hansard*.

It is a fundamental point, in that the government stated that they were awaiting the laying of charges because the McDonald commission had suggested they should await the laying of charges. We have the head of the McDonald commission saying that is not the case.

In conclusion, I would urge the Solicitor General to take this opportunity—I have sent him a copy of the letter during question period—to correct the record, to make it quite clear that it is not the McDonald commission which is responsible for any delay in the laying of the charges, that the responsibility rests squarely at the feet of the government.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I would like to speak, first of all, about the policy of laying charges against RCMP officers and others named by the McDonald commission. The policy I have been following is to turn over to provincial attorneys general any evidence that comes to my attention of possible wrongdoing, or suspicion of wrongdoing, on the part of a member of the force. That policy is in effect and we have begun a process of turning over this information to provincial attorneys general. It is their responsibility to decide in most matters whether or not, and when, charges should be laid against particular individuals. There are some matters, such as income tax, matters relating to the Post Office Act, relatively smaller in number than the main, in which a prosecutorial decision is the responsibility of my colleague, the Attorney General of Canada (Mr. Chrétien).

The Attorney General of Canada has made it clear to this House his preference in waiting for the report of the McDonald commission before addressing these matters and taking these decisions. It may well be that the McDonald report will contain some argument or some evidence which will affect his decision on whether charges should be laid or not, matters relating to the circumstances in which possible or alleged offences may have been committed.

I was under the impression that the McDonald commission had expressed a preference for a wait before laying charges, in other words, the McDonald commission had indicated a preference for the attorneys general to wait for its report to be made public before taking any action. I formed that impression from something I read in a public transcript of McDonald commission hearings. I do not have that transcript in front of me at the moment. I will certainly look it up and bring it to the attention of the hon. member and, if he would like, to the House.

I do not believe I have seen the letter the hon. member referred to, addressed to the parliamentary secretary to the Minister of State for Mines. There is no doubt that in this letter Mr. Justice McDonald says that he is not aware that he has ever indicated—and I am quoting—"that I would prefer the laying of charges to await the report of the commission of inquiry". In other words, he is not aware of having indicated that. My recollection is that there was a statement made by him or one of the other commissioners to that effect during the course of the hearing. That transcript is public and I intend to look it up. I certainly do not see, on the face of it, that any question of privilege has been raised by this question from the hon. member.

[*Translation*]

Madam Speaker: The hon. member for Burnaby (Mr. Robinson) will understand that under the guise of a question of privilege, he cannot attempt to correct the statements of other hon. members. It is not up to him to have other members' statements corrected. Only those who made the statements can correct them. I noted that in his remarks the hon. member never said that if the hon. member concerned misinformed the House, he did so deliberately. Therefore, if the hon. member, following the hon. member for Burnaby's comments, feels his statement needs to be clarified or corrected in any way, I will leave that to his initiative. He is the one who can best judge whether what he said in the House is valid. I repeat that the hon. member cannot correct the statements of another

member. Only the hon. member who spoke in the House can correct his own speech.

The hon. member for Burnaby also raised in his question of privilege the fact that answers to questions he had asked were long overdue, too much so in his opinion. That constitutes a grievance, a legitimate one perhaps, but I repeat that it is a grievance. He is right in trying to express it at the first opportunity, but he chose to do so as a question of privilege. However, as Speaker of this House, I fail to find in the remarks the hon. member has just made, in light of information given by the Solicitor General, any grounds for a question of privilege.

[*English*]

MR. MUNRO (ESQUIMALT-SAANICH)—RECOGNITION BY CHAIR

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question of privilege relates to my right to be heard in this chamber. Following the intervention of the President of the Privy Council (Mr. Johnston) in the previous question of privilege, I rose to add what I thought were three contributing factors, which I thought the Chair might wish to take into account before making a ruling. It may very well be that while I said as I stood, "A question of privilege—" the Chair either did not hear me or understood I was raising a separate question of privilege, in which case I could quite understand I would not be heard at that time. But the points that I wanted to raise were that the President of the Treasury Board, I felt, was quibbling with the matter of time when he was talking about that day's proceedings because he admitted, following that, that there were uninterrupted proceedings under way and at the end of that he was prepared to advise the House—not to submit to questioning but to advise the House, which is a positive gesture by the President of the Treasury Board.

● (1530)

Madam Speaker: I had understood when the hon. member rose to seek the floor that he wanted to intervene on the question of privilege that was being debated in the House. I thought that the hon. member was now raising a new question of privilege. I believe when I recognized him that I asked the hon. member whether he was speaking on a new question of privilege. The reason why I did not recognize the hon. member as a third or fourth intervener in that debate was that I felt that I was sufficiently informed to make a judgment, that there was no question of privilege in the question raised by the hon. member for Nepean-Carleton (Mr. Baker).

If the hon. member is raising a new question of privilege I will hear him. But if he is referring back to the decision which I have already made on the question raised by the hon. member for Nepean-Carleton, I am very sorry but I will not be able to hear him.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, in other words, my right to be heard in this House is being thwarted by the ruling that I had nothing to contribute to that general debate on the question of privilege. My question of privilege now is in protest against my inability to be heard.

Madam Speaker: I really do not feel that the rights of the hon. member to be heard in this chamber have been thwarted by the action that I have just taken. The hon. member knows that the Speaker has the discretion to listen to as many interventions as the Speaker feels are necessary to be sufficiently informed in order to rule on a given question of privilege. At some point in time in these debates, and they often do become debates, the Speaker does have to interrupt, assuming—and the assumption of the House should be—that the Speaker feels that she is sufficiently informed. I do not think that the hon. member can legitimately say that his freedom to express himself in this House has been thwarted by that action.

* * *

POINT OF ORDER

MR. McGRATH—NOTICE OF POSSIBLE QUESTION OF PRIVILEGE

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a point of order to raise which I believe is a serious one. It arises out of a line of questioning which I was developing today with the Right Hon. Prime Minister (Mr. Trudeau). I raise this point of order now in order to reserve the right later to raise a question of privilege.

It seems to me that when I sought from the Prime Minister an assurance that moneys voted by this House would not be used to undermine the members of this House in a debate that is currently taking place in the House, I did not receive such an assurance from the Prime Minister. The matter goes to the very heart of the responsibilities of each one of us in this House, and of the government, because here we have a situation which is totally unprecedented in my view, whereby the government of the day is using the taxpayers' money to mount a massive national advertising campaign to generate public pressure which is to be, presumably, applied to members of this House on a measure that is still before the House, in support of the governing party's position.

It seems to me that the only time such an advertising campaign could be justified would be if the measure were passed by the House. Then, of course, the government can sell its program because the program has received parliamentary approval. But in this instance we are placed in the invidious position as members of this House of having to stand by and see the very moneys that we voted for the government being used inappropriately, to say the least—

Mr. Nielsen: Illegally.

Mr. McGrath: —and probably illegally, to mount a national advertising campaign the only purpose of which, surely, can be to apply pressure to members of this House to support the position the government is taking before the House. That seems to me to be highly improper. It goes to the very rights and privileges of this House, namely, to hold the government accountable for expenditures of public funds which it in fact has allotted for this purpose.

I want to reserve the right to raise this as a question of privilege subsequently after I have had a chance to consult with my colleagues. May I say in passing that this is not yet the Bundestag of the Third Reich.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I do not want to deal with the substance of what my hon. colleague has said, but once again a member of Parliament is trying to use a point of order to score political points because he was not satisfied with an answer which was given to him, in this case by the Right Hon. Prime Minister (Mr. Trudeau). I think this is an abuse of the rules and that members should avoid trying to score political points when they are not happy with the answers to their questions.

Madam Speaker: Order, please. We are entering into debate. I would like to take the notice of the hon. member for St. John's East (Mr. McGrath) that he is reserving the right to raise a question of privilege at a time which he finds suitable.

ROUTINE PROCEEDINGS

[*English*]

Madam Speaker: Presenting reports from standing or special committees.

Tabling of documents.

Statements by ministers.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, on a point of order, I was contemplating rising when you called tabling of documents, and I apologize for delaying to this point, to inquire of the government House leader whether he will speak to the President of the Treasury Board (Mr. Johnston) to determine if the agreement reached between the PSAC and the Government of Canada might be tabled in the House?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I shall be very pleased to speak with the President of the Treasury Board.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, the following questions will be answered today: Nos. 125, 850, 957, 1,028, 1,030 and 1,316.

I ask that the remaining questions be allowed to stand.

[*Text*]

ARMED FORCES—COMMITMENTS TO OTHER COUNTRIES

Question No. 125—**Mr. Cossitt:**

1. Is Canada obliged, under any treaties or agreements in force with any other country or countries, to provide armed forces under certain conditions should such conditions arise and, if so, what is a detailed list of all such situations including the estimated number or required number of personnel that must be supplied?

2. Taking into account the existing number of personnel in the Canadian armed forces, would Canada be able to fulfil all such commitments, particularly if more than one arose at the same time and, if not, what plans does the government have to rectify the situation?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1 and 2. Article 5 of the North Atlantic Treaty states that "the parties (to the treaty) agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an attack occurs, each of them, in exercise of the right of individual or collective self-defence recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attached by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the north Altantic area". In pursuit of the policy of contributing to the collective effort to maintain an adequate deterrent and defence posture for the alliance all Canada's armed forces are available for defence of the north Atlantic area. Of these the following Canadian forces are assigned to NATO command:

(a) Canadian mechanized brigade group is assigned in wartime to the NATO central army group. The authorized peacetime strength is approximately 3,000 all ranks. In times of increased tension approximately 2,000 additional personnel would augment this brigade group.

(b) 1 Canadian air group is assigned in wartime to the 4th allied tactical air force. Its total peacetime strength of approximately 900 personnel is augmented in times of international tension by over 100 additional personnel.

(c) Canadian Air-Sea Transportable brigade group (CAST brigade group) is assigned to allied forces northern region. One infantry battalion of this group is held at a higher state of readiness for deployment by air to allied command Europe mobile force (land). After Sept. 1, 1980, the CAST brigade group will have a strength of about, 4,000 personnel.

(d) One squadron of CF5 aircraft is assigned to ACE mobile force (air) on the northern flank and one squadron assigned to northern European command.

(e) The maritime forces assigned to allied command Atlantic (SACLANT) consist of:

15 Destroyers
3 Submarines
3 Squadrons ARGUS patrol aircraft
2 Squadrons TRACKER reconnaissance aircraft
about 15 Sea King helicopters

One destroyer is assigned to NATO command continuously on a rotational basis. In addition, two support ships which are not themselves assigned to SACLANT are available for NATO operations in the Atlantic. The total strength of committed forces is approximately 5000 personnel.

(f) Canada's share of staffing requirements at our delegation to NATO, on the international military staff at NATO Headquarters and at ACE and ACLANT and some subordinate commands, is 250 personnel.

Within and in conformity with the terms of the North Atlantic Treaty, Canada and the United States concluded in 1958 the North American Air Defence Command (NORAD) Agreement which provides the framework for co-operation in the aerospace defence field and establishes NORAD as a joint command exercising operational control over such forces as are assigned, attached or otherwise made available by the two governments for the defence of the Canadian/US region of NATO. Canada is not obliged by the agreement to provide any specified level of forces to NORAD, but does at this time contribute the following dedicated forces with their personnel and the necessary headquarters and support services:

(a) 3 Squadrons of CF-101B Voodoo interceptors based at Chatham, N.B., Bagotville, Quebec and Comox, B.C.;

(b) 24 long-range radars of the Pinetree line at locations across southern Canada from Gander, Newfoundland, to Holberg, B.C.;

(c) the satellite tracking unit at Cold Lake, Alberta, and the satellite identification and tracking unit at St. Margaret's, N.B.;

(d) the control centre of the 22nd NORAD region at North Bay, Ontario; and

(e) the back-up Interceptor Control Unit at St. Margaret's N.B.

In times of the international tension, a fourth squadron of CF-101B interceptors normally engaged in a training role is also placed under the operational control of NORAD. For the fiscal year 1979/80, the estimated man-years to be charged to these activities are: military, 6,210; and civilian, 2,028. Not included in these figures are the 20 Canadian forces personnel stationed at the four main sites in Canada of the Distant Early Warning (DEW) Line. In addition to the above Canadian-based contributions to NORAD, there are 84 Canadian military personnel employed on NORAD duties in the United States at the NORAD headquarters/Combat Operations Centre complex (Colorado Springs) and at four NORAD region control centres.

CANADA EMPLOYMENT CENTRE—BROCKVILLE, ONTARIO

Question No. 850—**Mr. Cossitt:**

Have complaints been received from citizens served by the Canada Employment Centre at Brockville, Ontario concerning the managerial organization and the operation of services which they consider insufficient to render proper public service and, if so, will the government undertake to conduct a thorough examination of the office in order to create a more efficient service to the citizens of Brockville and district?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): The commission has received complaints on certain aspects of its services provided in Brockville. Steps have been taken to respond to these complaints directly, and correct them where this is applicable. As part of the commission's ongoing CEC review process, management has reviewed the concerns and taken action on issues so identified.

DREE—PROJECTS IN THE CONSTITUENCY OF PEMBINA

Question No. 957—**Mr. Elzinga:**

1. Since 1974, did the Department of Regional Economic Expansion finance projects in the constituency of Pembina and, if so, in each case, what was the (a) name of the project (b) total cost (c) total contribution by the government?

2. Is the department planning projects in the near future and, if so, in each case, what is the (a) nature of the project (b) estimated amount to be spent by the government?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The response for the Department of Regional Economic Expansion is as follows:

1. Under the Canada-Alberta Subsidiary Agreement on Nutritive Processing Assistance.

(a) Legal Alfalfa Products Ltd.	(b) $1,403,078	(c) $117,053.00
Poloway Fertilizer Sales Ltd.	65,474	4,583.50
Falls Holdings Ltd.	23,250	1,511.50
Fort Saskatchewan Bakery Ltd.	9,970	997.00
Champion Feed Services Ltd.	1,568,633	172,549.50
Raven's Poultry Farms Ltd.	379,191	28,439.000
John Wasmuth & Michael Hartley	44,568	5,794.00
Fort Saskatchewan Bakery Ltd.	19,390	1,939.00
Radway Fertilizers Ltd.	61,474	5,225.50

Prairie Farm Rehabilitation Administration (PFRA)

Water Development Assistance

(a) 892 Wells	(b) $1,471,964*	(c) $367,991
100 Dugouts	249,391	37,390
8 Stockwater Dams	23,300	2,330
5 Irrigation Projects	62,820	3,141
Community Project at Highridge Backflood Irrigation	7,200	3,600

*Because of the time required to research 1,005 project files in this category, total costs have been estimated on the basis of statistics derived over the years. PFRA records show that, on average, total costs relative to grant paid are 4.0:1 for wells; 6.67:1 for dugouts; 10:1 for stockwater dams and 20:1 for small irrigation projects.

Agricultural Service Centre Agreement

(a) Westlock—Consultant's Report regarding water demand projections and assessment of necessary infrastructure upgrading	(b) $17,218	(c) $12,913

2. Canada-Alberta Subsidiary Agreement on Nutritive Processing Assistance

(a) and (b) Five applications for assistance under the agreement have been received by Alberta agriculture and are presently under evaluation. This evaluation has not proceeded far

enough to be able to estimate the amount, if any, which might be contributed by government.

Prairie Farm Rehabilitation Administration (PFRA) Water Development Assistance

(a) and (b) No specific projects are planned for the near future, although the PFRA water development program will continue to respond to the expressed needs of the farming community. An estimate of amounts to be spent is difficult to ascertain, because of the reactive nature of the program and prevailing weather conditions.

CANADA EMPLOYMENT CENTRE—BROCKVILLE INVESTIGATION

Question No. 1,028—**Mr. Cossitt:**

1. Was a special investigation made of the Canada Employment Centre in Brockville, Ontario, in connection with management administration and, if so, was Mr. S. Bernard in charge of the investigation and, if not, who was and what are the names and job designations of the other members on the investigating team?

2. Did the investigation take place on or about May 28, May 29 and May 30, 1980?

3. Was an attempt made to contact Brockville industries or large employers concerning the services of the office and is the government aware that the complaints brought to their attention by the hon. member for Leeds-Grenville did not originate from that level?

4. Was an attempt made to discuss managerial administration with individual persons served by the office and (a) if so (i) in what way (ii) how many persons were contacted (b) if not, for what reason?

5. Is the government aware that some of the numerous complaints brought to their attention by the hon. member for Leeds-Grenville about the service to the public originated from members of the Brockville city council including the mayor of the city?

6. Did the investigating team contact the Brockville industrial commissioner, Mr. John Broome and, if not, for what reason?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. No. A special investigation of the Canada Employment Centre in Brockville was not conducted. However, a review of the Brockville CEC was made as part of the regular continuing operational review process of the Belleville district. This review was occasioned by the planned assignment of a new manager to that office. Mr. S. Barnard, manager, CEC Belleville was the review team leader. Mr. A. Hamilton, supervisor, programs, Belleville CEC and Mr. R. Daley, acting service unit supervisor, Kingston CEC, were the team members.

2. Yes.

3. Although no attempt was made to directly contact Brockville industries or large employers due to the scope and terms of reference under which the team operated, a review of the CEC service records concerning a representative sample of Brockville employers was conducted. Of the eleven employers in the sample, all had used the CEC services successfully within the previous two years. The CEC manager has recently implemented an accelerated program of visiting employers to promote and market CEC services. The CEC has also initiated a local industrial training advisory committee to advise the CEC on service requirements. Most, if not all, major Brockville employers employing the machining trades are members of this committee.

4. No direct contact was made with any clients served by the CEC due to the scope and terms of reference under which the team operated. The team did review the suggestions/complaints from the public left with the CEC via the "Listening Post". Response to this vehicle of public forum for comments on service was found to be very low and of unexceptional content.

5. Yes.

6. The review team contacted the Brockville industrial commissioner, Mr. John Broome. Mr. Broome indicated that his relations with the CEC have been extremely good. Mr. Broome has never heard a complaint about the CEC from employers and described the CEC image with employers as extremely good.

Question No. 1,030—**Mr. Cossitt:**

Did any of the investigators, during the recent investigation made by Canada Manpower officials of the Canada Manpower Centre in Brockville, Ontario, contact the editor of the Brockville *Recorder and Times* or any person at the newspaper to determine whether or not it had received complaints, from individuals who used the office, about the operation of the local Manpower Centre and (a) if so, was it determined that such complaints had been received (b) if not, for what reason was the newspaper not contacted?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): The review team did not contact the editor of the Brockville *Recorder and Times*, as such contact is not within the usual requirements of an operational review.

Question No. 1,316—**Mr. Cossitt:**

With reference to the placing on the order paper of question No. 1,028 concerning whether the investigation of the Canada Employment Centre in Brockville had included interviewing the mayor and certain other persons in the municipality were steps subsequently taken to contact the mayor and others and, if so (a) what are all the details (b) what are the names of the other persons contacted and what is the name and job designation of the persons making the contacts?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): (a) and (b) Subsequent to the review of the Brockville Canada Employment Centre, Mr. C. Paterson, director of Employment and Insurance, Belleville district, visited mayor Sheridan on June 18, 1980, to introduce Mr. J. Parsons, the new manager of the Brockville CEC. Mr. Parsons, on June 26, attended a luncheon meeting with mayor Sheridan during which the delivery of CEC programs and services was discussed. Mr. Parsons contacted Mr. A. Keyes, the employment counsellor to St-Lawrence College to ensure that facilities were available to enable Miss Sally Flood, a client of the Brockville CEC, to participate in an industrial maintenance mechanic course. Pat Dingle from the industrial commissioner's office has visited the Brockville CEC to discuss a brochure which is distributed to employers considering locating in the Brockville area. Information on local wage rates was also given. Arrangements have been made with Mr. Trevor Scott, Public Relations, Brockville city hall to meet with Mr. Parsons to discuss the new employment programs announced by the

government. Ms. Jeannine LeBranch, payroll accountant for the city of Brockville, wrote to the Brockville CEC on June 13, commending the CEC on its co-operation.

[*English*]

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

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, notice of motion for the production of papers No. 13 is acceptable to the government.

Madam Speaker: Number 13 is adopted.

VIA RAIL PASSENGER TARIFFS

Motion No. 13—**Mr. Benjamin:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence that the Minister of Transport and the Director General, Railway Transportation, Transport Canada had with Via Rail Canada, the Canadian Motor Coach Association and the Canadian Transport Commission regarding Via Rail passenger tariffs.

Motion agreed to.

Mr. Irwin: Madam Speaker, would you be so kind as to call notice of motion for the production of papers No. 14?

VIA RAIL—RESTRUCTURING THE PASSENGER SYSTEM

Motion No. 14—**Mr. Benjamin:**

That an order of the House do issue for copies of the documents prepared by the Department of Transport on (*a*) Via Rail's experience to date (*b*) some thoughts on restructuring the passenger system (*c*) the proposed Via Rail Canada Act.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Madam Speaker, I have the answer to Motion No. 14 submitted by the hon. member for Regina West (Mr. Benjamin).

(a) and (b) Transport Canada does not have the documents as referred to in MPP No. 14. A document is in preparation, however, which generally addresses the subjects described above, amongst others.

This document has been through a number of drafts, some of which the member may have seen. Once the document has been approved by cabinet, it is intended to release this information to the public.

(c) A Via Rail Canada Act has never been drafted nor have drafting instructions ever been developed. I therefore ask the hon. member to withdraw his motion.

The Constitution

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I believe that I can say on behalf of the hon. member for Regina West (Mr. Benjamin) that he will agree to the motion being withdrawn, subject to his right to obtain the document to which the parliamentary secretary has referred, when it has been produced.

Mr. Bockstael: Agreed.

Madam Speaker: Agreed.

Motion withdrawn.

Mr. Irwin: Madam Speaker, I ask that the remaining notices of motions for the production of papers be allowed to stand.

Madam Speaker: Stand.

● (1540)

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration from Tuesday, October 7, 1980, of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

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

That the committee have power to sit during sittings and adjournments of the House of Commons;

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

That the committee submit their report no later than December 9, 1980;

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

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

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the

Environment): Madam Speaker, as I was concluding my few remarks on this subject last night, my good Tory friend, the hon. member for Esquimalt-Saanich (Mr. Munro), had the wisdom to rise on a point of order and express his concern over the degrading nature of the incident that I had raised.

You will recall that I was reporting to the House on an appearance on national radio earlier last evening by the Right Hon. Leader of the Opposition (Mr. Clark) during which he rather shockingly misrepresented the contents of this constitutional proposal. You remember, too, that at that time I gave some specific details of the misrepresentation by the Leader of the Opposition. I want my good friend from Esquimalt-Saanich to know that I have had time overnight to reflect on the suggestion he made, and I certainly agree with him. What I was saying on the subject should really not have been said in public. I will take his wise counsel and refrain from further public reference to the incident.

In so doing I trust that the hon. member for Esquimalt-Saanich will, for his part, undertake to raise the matter with his leader, to counsel him and appeal to him to stop the misrepresentation of the detail of this matter. It is degrading, Mr. Speaker, and therefore unbecoming of the Leader of the Opposition. I will take the hon. member's wise counsel. It is advice well given and well taken. I ask him not to be unduly hard on my friend from Yellowhead. Lord knows, he has enough trouble these days, with Bill Davis and Brian Mulroney and the caucus. Besides, we need him. He is the best thing we have had going for us since John Bracken back in 1948.

The proposal that would establish a joint committee whose instructions would be to take these documents as a working paper is a good proposal. It really is the only effective and efficient, yet fair way, to handle a matter of this magnitude, diversity and complexity. Let all of us as members of this House, whether we become members of the committee or just interested observers in the process of that committee, keep in mind that it is, at best, a working paper. It is not the refined, finished document; for that we need the minds of the 25 people who will serve on the committee in the coming months.

For that reason it is perhaps premature for me, or for any member of the House, to address myself in any detail to the content of the resolution. That is, more properly, the job of the committee. I am sure, nevertheless, it would be quite in order for me to comment for a moment on some of the principles embodied in this proposal—patriation with a provision to amend, the charter of rights, entrenchment of equalization in the constitution.

Part of the wisdom of this particular document and the wisdom of those who drew it up, is that it does not address itself in any form or fashion to the substantive issue of distribution of powers among orders of government. For that reason alone the Prime Minister (Mr. Trudeau) is deserving of the commendation of this House and the provincial legislatures across the country. I am sure, knowing how close he has been to this subject over the years, that the temptation must have been very great indeed on his part to contrive an omnibus resolution embodying several other issues on which he and this government feel strongly. I refer, for example, to those measures that are required to make this country a truly workable economic union, and measures such as the free movement of goods and services. To the credit of the Prime Minister, he has resisted that temptation. These matters will be dealt with in due time as provided for in the proposal and in full dialogue with the provincial administrations.

It is the proposed charter of rights which I find most gratifying, Mr. Speaker, especially that right which deals with the free movement of people. I realize, in addressing myself to this subject, that it will strike down in Newfoundland, my own province, regulations concerning job preferences for Newfoundlanders. I realize that, but that is as it should be, for two reasons.

In the first place the Newfoundland regulations are morally wrong. They are morally wrong, given the spirit of this country. In the second place they are, in any case, counter-productive. What guarantee does the government of Newfoundland and Labrador have that retaliatory legislation or regulation will not be imposed by other provinces? How long will that take, if we keep applying the litmus test to people coming to Newfoundland and Labrador? If we say to them, "Where are you from?" and they reply that they are from Alberta, or Nova Scotia, do we say that they cannot work in Newfoundland? How long would it be before the government of Alberta would say, "What about the several thousand people in Fort McMurray who are native born Newfoundlanders? How long before we ship them back?" How long would it be, Mr. Speaker, before the number of Newfoundlanders who work with the CPR in Saskatchewan or in Powell River in British Columbia, in Flin Flon and Thompson, Manitoba, or Cambridge and Toronto in Ontario, are told the same thing? I am informed that there are a couple of hundred thousand Newfoundlanders in Ontario alone.

At last count the Newfoundland regulation accounted for exactly 382 jobs for Newfoundlanders. In terms of my point about counter productivity, if that figure is set against the numbers in Powell River, Fort McMurray, Toronto, Cambridge and Flin Flon, I submit that the comparable number would be slightly more than 382. Perhaps I have made my point, Mr. Speaker, about the regulation being counter productive. But apart from that, Mr. Speaker, it is wrong.

I do not want to live in a country where I am told where I can live and where I can work.

Of course, we have to entrench these rights in the constitution. If there was one thing more appalling to me than others at the first ministers' conference last month, it was the sheer number of people who, with straight faces, told us that legislation could better protect our rights than constitutional entrenchment. By way of example, Mr. Speaker, suppose you were the premier of a province. Suppose you were the wisest, most fair, most humanitarian God-fearing premier Canada had ever had. And suppose, because of your humanitarian motives, you introduced the best legislation to protect the handicapped people of this country, to protect the Indians, the

Metis and Inuit, to protect the minorities, racial, religious and otherwise, and then, because of your mortality, one day you died or you left office, retired or were defeated. Suppose you were succeeded by somebody who would not necessarily subscribe to your humanitarian view of life; someone who may be more ruthlessly pragmatic about things. What would happen to your legislation then if left to the whim of the majority of that particular day?

That is the kind of reason why I insist and I believe very strongly, with everything that is in me, that the constitution must embody a charter of rights. I do not mean that we should not be able to get at it. This document has a provision to amend so we will be able to get at it in a way that requires due thought, and that requires proper, sober judgment. We will not be able to react to the political whim of the moment or to what appears to be politically popular at a particular time. Of course we must have entrenchment. It is appalling that so many voices are raised against entrenchment.

Last night I was invited by my Tory friends opposite to say a few words about Premier Peckford. I shall be glad to oblige. The Premier of Newfoundland and Labrador is a man whom I know very well. He is a personal friend of 15 years. Indeed, the only job he ever had other than that of a politician, is one which I gave to him. When I was principal of a high school he was the head of my English department. As young care-free bachelors we tripped around the globe together and we exchanged views on many subjects, including especially the subject of politics. I found that he and I share many of the same hopes and aspirations for our people in Newfoundland and Labrador.

• (1550)

Hon. members will understand, therefore, something of the sadness, the crushing disappointment and the jolting shock which I experienced a few weeks ago at the first ministers' conference here in Ottawa when I heard the Premier of Newfoundland and Labrador utter these words, which I quote from a direct transcript of the proceedings: "The Prime Minister and Mr. Lévesque articulated two different visions of Canada." The Premier of Newfoundland said: "I would have to side with the one advocated by Mr. Lévesque."

Some hon. Members: Shame!

Mr. Simmons: As a Newfoundlander and as a Canadian, these have to be the saddest words I have ever heard. We all know what Mr. Lévesque's view of Canada is. If there is one single aspect of the constitutional dialogue which is absolutely crystal clear in the minds of Canadians, it is Mr. Lévesque's view of Canada; what he would like Canada to become. The kindest statement of the Lévesque position—and I put it this way so it doesn't appear as though what Mr. Peckford said was taken out of context—is that he believes in sovereignty-association. He believes that Canada ought to consist of a number—be it one, two or ten, it does not matter to Mr. Lévesque—independent electoral units, states or provinces, call them what you will, which would be a free association, one with the other, for certain reasons of trade and monetary policy. That is the Lévesque view. That, I am sad to reflect, is the view of Canada which Mr. Peckford has said publicly he favours.

I want to tell him, and I tell him in sadness, not in anger and not to score political points, that that is not the view shared by the overwhelming majority of Newfoundlanders and Labradorians.

Some hon. Members: Hear, hear!

Mr. Simmons: There is no part of this federation which has a more positive view of the federal role than does Newfoundland, and with very good reason. We have been benefactors for 31 years of the amazing wealth of this country. The very prospect of offshore oil and gas off Newfoundland's coast is today a real live prospect, a real live possibility, because and only because of the tax policies of this federal government concerning frontier exploration.

Do hon. members realize the hundreds of millions of dollars of federal tax revenues which have made these discoveries possible? Do hon. members realize that the Newfoundland offshore development would today be nothing more than a pipe dream, nothing short of wishful thinking, were it not for the tax policies of this particular government and our involvement in the matter? Now that this government's policies have ensured that Newfoundland's economic prospects will be better than anybody ever dreamed of, it saddens me to hear those at the provincial government level in Newfoundland wanting to rewrite history, and dishonestly parading the impression that somehow the offshore development is something for which they are responsible.

I have digressed, Mr. Speaker. I was talking a moment ago about Mr. Peckford. Let me tell you, sir, that his heart is in the right place. His immediate agenda for leading our province toward greater prosperity and cultural fulfilment is misguided. I tell him the Lévesque route is a road to disaster. Premier Peckford, I am sad to say, is the victim of some very bad, unwitting advice from the pen and the lips of a few who actually share his dream and share my dream for Newfoundland and for Labrador but who lack the know-how to achieve it. They believe sincerely in their exasperation just like a twelve-year-old boy who by running away from home believes he can somehow solve his problems.

I am a Newfoundlander—

An hon. Member: Not very loyal.

Mr. Simmons: —I am a Canadian, and not necessarily in that particular order. Please do not ask me to choose between the two. I was not born a Canadian, but I am proud to say that I have been one for the past 31 years since 1949 when Canada had the good wisdom to join Newfoundland!

We, in Newfoundland and Labrador, did not vote in 1949 to forfeit our freedom but rather to expand it and to give it some meaning. How free are you when your sons and daughters had to leave their homeland to go to what was a foreign country—

Canada in those days—to get employment and to raise their families or, to what we called the Boston states—the New England states—where there are today hundreds of thousands of native born Newfoundlanders—how free are you if that is the price of freedom? We did not forfeit any freedom in 1949. Let there be no mistake about that. We expanded it and we gave it meaning. We did not abandon our little independent proud fiefdom—our little relic of an almost feudal system. We did not abandon that little powerless, economically impotent fiefdom in 1949 so that we could become one of ten little economically weak fiefdoms in 1980. Because, Mr. Speaker, if you listened carefully to what some of the premiers were saying, and I refer particularly to Premiers Bennett, Lougheed, Lévesque, and Peckford, it is clear that their concept of this country can only be described in terms of a feudal system, in terms of an economically weak fiefdom—or ten fiefdoms—at the mercy all the time of the international community.

On this note I conclude. We, in Newfoundland and Labrador, know where we came from as a people. We were a separate country from 1855 until 1949. We know where we came from and we are very proud of it, but please do not ask us to go back.

Some hon. Members: Hear, hear!

Mr. Friesen: Mr. Speaker, I simply ask for the unanimous consent of the House—I think the speaker's time is used up—to ask the hon. member one short question.

The Acting Speaker (Mr. Blaker): Do I see that the hon. member for Burin-St. George's (Mr. Simmons) is prepared to accept a question, and do I have the consent of the House to proceed with one question? Is it agreed?

Some hon. Members: Agreed.

Mr. Friesen: Mr. Speaker, I listened carefully to what the hon. member had to say. When talking about the premiers, the hon. member for Burin-St. George's said, and I quote—I believe accurately that he did not want to be subjected to "the whim of the majority of the day". I accept that. I think that is a very real danger. If the hon. member is afraid of that, why would he then support section 42 of this particular provision which enables the federal government to use exactly the same tactic?

Mr. Simmons: Mr. Speaker, I thank the hon. member for his question. He brings up an extremely important point. First of all, I am glad to hear that he does agree with me on my concern about the whim of the moment. Section 42, if he would read it carefully, as I am sure he has, points out that not only will there be a simple 51 per cent majority across the nation, but that there will be a 51 per cent majority in each of the defined regions, so that there is there the added protection which these regional majorities would afford. Also, if the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—I see he shakes his head on that, but I tell him that I have looked at it in the past hour or two because that very section was the subject of some other discussion I had earlier today. I ask him to read that, and if I have not reflected an accurate intent of that I would be prepared to discuss it with him further, either inside or outside the House.

• (1600)

The point I make is that section 42 does require that there be the majority of the several regions of the country defined in that section. Also, of course, notwithstanding what I have said about whims, indeed in contrast to what I said about whims, it is one thing for a legislature in which a premier commands a majority to, this week or this month, react very quickly to a popular concern in the country. It is quite another thing to invoke section 42 after you have gone over a period of months, and I submit years in some cases, through another process of consultation with the provinces and debate in this particular Parliament. In that context, I submit to my friend that section 42 becomes a method of sober second thought or third thought after the other processes have been gone through.

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have been in this House for the better part of 20 years. During that period of time I have had the privilege of sitting here with six different prime ministers and six different leaders of Her Majesty's loyal opposition. It is a well-known and accepted convention in this House that the members of this place who occupy these particular offices are accorded a respect and a dignity in keeping with those offices. Because we are a civilized Parliament, and because of that convention, in all the years I have been here I have never witnessed such an attack on one of the members of this House who occupies the distinguished position of Leader of the Opposition and former prime minister—I have never witnessed such a scurrilous personal vilification of an officer of this House in all the years I have been here, and I am ashamed that it should come from a member of Parliament from my province.

Some hon. Members: Hear, hear!

Mr. McGrath: Having sat through the first chapter of the hon. member's speech last night, I intended to treat it with the silent contempt that it so justly deserved. I was somewhat encouraged today to note that he was able to rise to a somewhat higher plane, although at times he did not succeed in doing that. However, I cannot ignore it. I can only deal with it in this way.

The hon. member will not serve himself well by indulging in that kind of personal vilification and scurrilous attack on any member of this House, particularly on a former prime minister and a man who is leader of Her Majesty's Loyal Opposition (Mr. Clark).

Some hon. Members: Hear, hear!

Mr. McGrath: I suggest to my hon. friend that if he aspires to be anything higher than a parliamentary secretary, he better clean up his act. Indeed, I am sure hon. members will understand when I say to them that there was a perceptive rise in the level of debate in the legislature of Newfoundland when

the hon. member for Burin-St. George's (Mr. Simmons) resigned to run for this House.

I welcome the opportunity to participate and, hopefully, make a contribution to this debate. It has been described, and I suppose will continue to be described, as an historic debate. Whether it is historic will, of course, depend upon the government.

Along with other hon. members I followed with great interest the developments of the past summer. I was fascinated when hardly a week went by without some news from some major metropolitan centre in Canada regarding Canada's constitution. This, of course, was a part of the government's strategy. I do not fault them on that. They wanted maximum exposure. Indeed, in certain circumstances that is commendable.

They had the committee of ministers, federal and provincial, meet in various cities across the country to try to pave the way for a consensus in preparation for the first ministers' meeting that was to take place in September. All they succeeded in doing, unfortunately, was to agree on a preamble. There were some significant compromises made. Indeed, there were indications of that during the course of the first ministers' meeting. Of course that series of meetings was supported by a government advertising campaign to which reference was made in the House today.

All of it was very carefully orchestrated to prepare the Canadian people for the unilateral action that the government now proposes by the measure before the House. That unilateral action was supported by an advertising campaign and a series of meetings which anticipated the failure of the first ministers to reach an agreement.

I listened with great interest to the speech of my learned friend, the Minister of Justice (Mr. Chrétien), for whom I have great respect and whom I look upon as a friend. I listened carefully because I was hoping to find within his remarks some hint that the government may be open to meaningful suggestions to change the course of action they set out. I listened because I felt very strongly in my own heart, as I feel today, that if the government is not prepared to be flexible, if it insists on digging in on this measure, on such a fundamental thing as the renewed patriation of our constitution, that will have the unfortunate, regrettable and perhaps even disastrous effect of dividing this country at a time when there is a mood abroad in the country, an element of consensus for meaningful constitutional renewal.

We have come a long way. We now agree there is a consensus on patriation. There is no question about that at all. Whether we patriate with entrenchment is the question. As a Canadian and a member of this House, I would find it repugnant to have such a basic thing as Canadian rights and fundamental freedoms, linguistic rights and the principle of equalization become the subject of a legislative measure of a foreign parliament. My view is that we should agree, and I believe there is agreement that we should patriate and the only body capable of dealing with entrenchment of anything, whether it is human rights, linguistic rights or the principle of equalization, is the Parliament of Canada and the legislative assemblies of the provinces.

Some hon. Members: Hear, hear!

• (1610)

Mr. McGrath: Why is the Prime Minister (Mr. Trudeau) afraid to entrust to this Parliament of the land, which passed the Bill of Rights brought in here by the late distinguished right hon. member for Prince Albert, the responsibility for dealing with those questions which are within its domain under the existing constitution? Why would this government be afraid to entrust to the legislatures of the land the right to deal with those things which are within their domain under the existing constitution? Those are the questions, sir.

As my leader said so eloquently in his speech during this debate, what the government proposes by this measure is not only to patriate the constitution with human rights and linguistic rights entrenched, but to change fundamentally Canadian federalism in such a way as to give the federal government, in terms of constitutional powers, powers that have no place in a federal system. In other words, the government would be assuming for itself, if it has its way, powers which are normally identified with a unitary state. That, of course, fits in very nicely with proposed section 42 which provides the constitutional means, if the government has its way, whereby the government can bypass Parliament and the legislatures of the country and go directly to the people.

There are times in a parliamentary democracy when a referendum or a plebiscite has its place. I can think of, for example, the question of compulsory military service, to name just one. But to make that an instrument of the constitution would, as my leader has said, and as others are now saying, fundamentally change the whole system of federalism in this country in such a way as to destroy ultimately the federal nature of the country and, consequently, could have the effect of destroying the country itself.

I say that as one who has always been supportive of a strong federal government, coming as I do from one of the so-called have-not provinces. Indeed, the last time we had a chance to debate the constitution in this House I expressed the fear that the provinces, if they had their way in terms of the additional powers they were seeking, could seriously undermine the ability of the central or federal government to carry out the national will and to protect the national interest. I believe in that principle very strongly. I now express the same fear in respect of the federal government, because if the Government of Canada has its way it could, as I have said, fundamentally change the structure of federalism in the country, which could have the effect of ultimately destroying the country as we know it.

We have come a long way in the past few years. Indeed, we have arrived happily at a point in time when there are very few in this country who would not accept the protection of linguistic rights in the constitution. Indeed, I recall as a member of this House the passage of the Official Languages Act. I recall

the division that caused in the House at the time. Indeed, that division was painfully felt in my own caucus. However, I would not hesitate to say that I believe one would be hard pressed to find a member in this House today who would be opposed in any fundamental way to the Official Languages Act. That is as it should be, given the fact that this statute, now the law of the land, helps to redress a grievance which went to the very heart of the unrest in Quebec, and the place of French-speaking Quebeckers in Canada.

I also recall, vividly and with personal regret, and this is the first time I have had the chance to say this publicly, that day ten years ago when this government, with the approval of this House, imposed the War Measures Act. It is difficult to find adjectives to describe that measure, but certainly you could describe it as a Draconian measure designed at the time it was drafted to protect the national security in time of war or, in the wording of the act, in the case of what the act calls "apprehended insurrection".

That was not a proud moment for any of us, sir, because, and we did not realize it at the time, that move had the effect of placing the entire country under martial law; placing in suspension the very fundamental freedoms proposed for entrenchment in the constitution by this measure. That involves a question which we will want to get back to when we have a chance in committee.

Proposed section 2 of the bill sets out the charter of rights and freedoms. Who in this House would be against any of these basic human rights and freedoms? We are all in favour of "freedom of conscience and religion", "freedom of thought, belief, opinion and expression, including freedom of the press and other media of information", and we are all in favour of "freedom of assembly and of association" and the right to vote. Good heavens, who would be opposed to that?

Whether or not the entrenchment of these basic and fundamental rights and freedoms in our constitution, given our parliamentary system and tradition, is the way to go about it, raises a question that keeps bothering me. I have not satisfied myself on that score.

Having said that, that does not put me in second place to anybody who can speak just as strongly for entrenchment, because I believe just as strongly in these basic fundamental rights and freedoms. I believe with all my heart that this country should never permit the imposition of the War Measures Act in time of peace.

It was fascinating to watch the first ministers, the premiers of the country, together with the Prime Minister discuss through the public media Canada's future. I was touched and deeply moved by the very learned paper presented by Premier Lyon on this question. I must confess I had not given this matter that much thought up to that point in time because I felt entrenchment was so fundamental there was nothing to think about. That argument put forward by Premier Lyon was given equal support by Premier Blakeney of Saskatchewan, representing both spectrums of political thought in this country. I found that very interesting. That is not really the point I wanted to make. It has to be said that we all favour some form of protection of these fundamental rights and freedoms.

The point I want to make is that we have to examine this bill in the context of sections 41 and 42 and the power the federal government assumes to itself in terms of the authority it will derive from these provisions of the bill to bypass the legislatures of the provinces on constitutional change. That is a move which, as I have said, will change the very structure of the nation, and which will change the very partnership concept of the nation that was at the root of the agreement arrived at in Charlottetown and in Quebec by the four founding provinces.

• (1620)

I will not go into that argument at this time because it was covered very adequately and very impressively by my leader and, I might say, by my learned friend and colleague, the hon. member for Provencher (Mr. Epp). My colleagues and I owe the hon. member for Provencher a great debt for the leadership he has given this caucus as our spokesman and chairman on federal-provincial relations.

Some hon. Members: Hear, hear!

Mr. McGrath: The last time I addressed this question in the House, which was just a few months ago, I made the point, and I repeat it now, that each one of us by virtue of his or her election to this place has three principal responsibilities or three constituencies we have to serve. We each one of us have a responsibility to our constituency. We each one of us have a responsibility to our province and, of course, we each one of us have a responsibility to the nation as a whole. There are times when the national interest has to take priority, and I would not hesitate, if the situation warranted, to place the national interest above my own province or constituency interest.

But there are times as well when the national interest is served, and well served, by a member addressing his provincial or constituency responsibilities, and I believe that such a time is now. That is why I would like to take a Newfoundland and perhaps regional perspective as one who takes second place to none in his commitment to this nation, in my commitment to Canada and in my commitment to a strong, viable federal government able to carry out its responsibilities. I am satisfied that I am serving the national interest when I address myself to the regional and provincial implications of the measure which is now before us.

Sir, I doubt if you would find anyone in this country who would be opposed to the entrenchment of the principle of equalization in any Canadian constitution. That too is a part of the very fabric of the nation. The fundamental concept of equality and sharing is the very root of our federal system, but we must be very careful that we do not entrench in the constitution the very thing which equalization seeks to address, regional disparity, and that is a concern of mine.

When this nation was formed 113 years ago, the Atlantic provinces were relatively prosperous for their time. Indeed, they were prosperous by comparison with the other parts of the

nation. Of course those of us who come from the region know all too well the painful history of how we have fallen behind over the past century and how we continue to fall behind, equalization and regional development grants notwithstanding.

What do I mean by the danger of entrenching regional disparity? Over the past century the face of Canada has changed, not only with the addition of new provinces but also with the expansion by the federal government of the boundaries of existing provinces. This has had the effect of placing the maritime provinces, and ultimately Newfoundland, at a serious disadvantage in terms of resource ownership. The benefits of the expansion of these boundaries are now being seen today in other parts of the country, and we are grateful and glad that there is prosperity in those provinces which have had their boundaries expanded.

The Halifax *Chronicle Herald* spelled it out very clearly at the weekend in a front page editorial, and I quote:

> The maritime claim of today is fair and simple. It asks that it be compensated for earlier oversight. It seeks formal acceptance from the other partners in confederation of the right of the maritimes to consider as theirs that undersea land which is a natural extension of the property above sea level. It asks that the resources in that new territory be the property of the maritime provinces in the same sense that resources in formal federal lands now belong to the central and western provinces.

We have seen the boundaries of Quebec extended by 379,000 square miles to include the great James Bay hydroelectric power basin, which will mean ultimately so much to that province. Of course we have seen the industrial heartland of the nation, Ontario, have its boundary extended by 237,000 square miles to the north and to the boundary of Manitoba. We have seen Saskatchewan and Alberta each given an additional 250,000 square miles which were northern lands under the jurisdiction of Canada and belonging to all Canadians.

Simple justice would indicate that the only way the boundaries of our region can be extended is to include the extension of the land mass that lies underneath the sea to the continental shelf. It is the natural extension of our land mass, yet that simple justice is being denied us by this government.

Back in 1968 my party, under the leadership of the Hon. Robert Stanfield, the distinguished former premier of Nova Scotia, accepted as policy that the mineral rights of provinces on the continental shelf belonged to the coastal provinces. I am proud to say that one of the first things we did as a government under the Right Hon. Leader of the Opposition and hon. member for Yellowhead was to implement that commitment made to the Atlantic provinces 12 years ago.

Some hon. Members: Hear, hear!

Mr. McGrath: I have referred to the case of the maritime provinces, which of course by definition excludes my own province of Newfoundland, but I believe a special case can be made for Newfoundland. That case has been made before at first ministers' meetings and in other forums.

When Newfoundland became a province of Canada in 1949, we entered confederation—notwithstanding the derogatory remarks of my friend, the hon. member for Burin-St. George's, with which he will have to live—as a self-governing dominion receiving our status under the same Statute of Westminster. We carried with us our sovereignty as a self-governing dominion, including jurisdiction over the continental shelf.

There are those, of course, who would argue that we were at the time a colony of Great Britain. That argument, of course, is legally and technically not correct. We were a self-governing dominion, albeit with our constitution voluntarily in suspension—that is, our legislative assembly—but it is interesting to note that five minutes before midnight on March 31, 1949, by letters patent the British government restored full self-governing status and full dominion status to Newfoundland so that we would carry into this nation our sovereignty intact, thereby ensuring that Newfoundland would carry with her these just claims which we now make.

We now know that the continental shelf of Newfoundland, particularly the area of the Grand Banks, contains vast amounts of natural gas and oil. We believe that as a province we must control the rate of development of this important energy resource in order to maximize the economic benefits to our province and, equally, to protect our vital and important fishery resource, which will continue to be the mainstay of our economy, and of course equally to protect our culture and our distinct society and distinct way of life from the economic pressures which would flow from such a development.

We believe that these tremendous oil and gas reserves will give us, for the first time in our history as a province of Canada, a chance to be equal, the same equality enjoyed by the other provinces, an opportunity to create our wealth, a chance to stand on our own feet and, above all, an opportunity to pay back to the nation the tremendous sums of money which have been paid out to us over the past 30 years in the form of equalization and regional development grants. All we ask is an opportunity to contribute to the wealth of the nation while at the same time improving our own economy and giving our people an opportunity to stand on their own feet.

In the words of the premier of our province, "We are an old and a proud people; all we need is an equal chance to prosper". We can have that equal chance if this government would only recognize what we feel is rightly ours, namely, our ownership of the resources of our vast continental shelf, the continental shelf which we brought into Canada when we became a partner in confederation in 1949.

Unfortunately, our claim to offshore oil and gas has been presented to the nation as a greedy and self-serving claim to something which is not rightfully ours. The fact is that if this government were to recognize that jurisdiction, we would not only be able to stand on our own feet economically but we would also be able to contribute substantially to the wealth of this nation by virtue of the tax revenues that the federal government would enjoy as a consequence of such a development and, of course, the royalties that would flow to the developing companies. We would not get it all, nor indeed would we want to get it all, but we do feel we are entitled to

our fair share and we feel we are entitled to control the rate of development of that which is rightfully ours.

● (1630)

Now, Mr. Speaker, I want to turn, in the few moments I have left, to another area of resource development which touches the heart of the constitutional debate, and that is the vast hydroelectric power potential, both developed and undeveloped, in my province. We have the largest untapped hydroelectric resource in the nation. The mighty Churchill Falls has been harnessed, and of course, as the House knows, Newfoundland is already locked into a 65-year contract with Quebec whereby Quebec is able to enjoy tremendous advantages as a consequence of a contract which was made well before the energy crisis could be foreseen. By the terms of that agreement, Newfoundland's loss in terms of the present day price of electric power is approaching $1 billion annually. That loss, of course, is Quebec's gain and enables that province to export substantial amounts of power at world prices to the United States. It is interesting to note that the Newfoundland government has formally requested the intervention of the Government of Canada with regard to the export of this surplus energy which is going into Quebec from Newfoundland. But that is a matter ultimately for the courts to decide because the Government of Canada has refused to intervene.

The inequity of this situation creates the paradox of a province, which is one of the greatest producers of hydroelectric power in the nation, and indeed in the world, having to impose on its people domestic energy costs which are more related to those of thermal fuel. For example, the city which I represent, St. John's in Newfoundland, the oldest city in the land, has the second highest domestic energy costs in Canada, second only to Charlottetown, Prince Edward Island. Paradoxically, the city which has the lowest domestic electric energy costs in Canada is the city of Montreal. For example, a monthly electric bill, on the basis of 500 kilowatt hours, in St. John's would cost $27.10, in Montreal the same power costs $16. I seriously question whether the nation can continue to accept within its federal structure such injustice and inequity. However, that is not the question I want to raise; it is one for the courts to decide.

Then we have the question of the undeveloped resources of the lower Churchill, the Gull Island site with the potential of 1700 megawatts, and the Muskrat Falls site with another 600 megawatt potential. The cost of these developments, of course, is staggering. It is $4.3 billion and $3.2 billion respectively. But they give you some idea of the scope of this tremendous renewable energy resource. If one were to translate it into oil, it would amount to 55 million barrels annually for the Churchill Falls development at present world prices, 19 million barrels annually for the Gull Island development at present world prices, and 7 million barrels annually for the Muskrat Falls development.

Forgetting for a moment our contractual problems with the province of Quebec with regard to the Churchill Falls power development, my province—and this is the main thrust of my argument—has been frustrated in every attempt at the development of the lower Churchill by the province of Quebec, which insists on taking all the power at the border point at their predetermined prices and disposing of it as they will.

Notwithstanding the infinite patience of the Newfoundland government and the Newfoundland people in trying to reach an agreement with Quebec, the fact is that these negotiations have broken off irreconcilably and we now find ourselves in the position of having to come on our knees to the federal government to ask for our constitutional rights, to ask for rights which are ours under the existing constitution, to give us a corridor to transmit that power through Quebec to customers in Ontario and New York, just as the federal government does, which has the same constitutional power to provide corridors in the building of pipelines to transmit western gas and oil to the markets of Quebec. It is simple justice and simple equality.

My colleague, the honourable member for St. John's West (Mr. Crosbie), and I did not press this point, and indeed the Newfoundland government did not press it during the period leading up to the Quebec referendum, for very obvious reasons. But on June 20 I asked the Prime Minister in the House if the government was prepared to recognize the constitutional right of the province of Newfoundland to transmit its hydro power through Quebec, just as the western provinces have that right with natural gas and oil. The Prime Minister answered:

> That is the constitutional doctrine in which I have always believed.

I then asked the Prime Minister why he had not acted on the formal request from the Newfoundland government to provide for a corridor through Quebec for the transmission of Newfoundland power to customers in New York and Ontario, and the Prime Minister replied, as reported at page 2316 of *Hansard* of June 20:

> —such action would only be possible if Newfoundland had the contract for the sale of its power to some other part of the country, and if Quebec were imposing unreasonable charges in the transfer of that power in the sense that it would constitute some kind of tariff or barrier which would be constitutionally inadmissible.

I find it passing strange that no such conditions were placed on the transmission of western oil and gas, and the pipeline is being built to bring those resources to Montreal and Quebec, and rightly so because the Government of Canada has the clearly defined constitutional authority under section 92(10)(a) of the BNA Act and under other relevant sections as well.

On September 4 and again on September 24, the Premier of Newfoundland wrote to the Prime Minister asking the federal government to exercise that constitutional power on Newfoundland's behalf. In his letter of September 24, the premier stated that such an agreement had been signed with the power authority of the state of New York to buy surplus Newfoundland power. The Prime Minister has so far failed to reply to the Newfoundland government, and I consider this to be a shameful abdication of the federal government's constitutional responsibility to my province.

Some hon. Members: Hear, hear!

Mr. McGrath: The Prime Minister now comes before the House and asks me, as a Newfoundland member of Parliament, to support a measure which would provide for a new constitution for Canada, while at the same time he denies to my province the basic fundamental constitutional rights which are clearly ours under the constitution.

Sure, Mr. Speaker, I am concerned with basic human and democratic rights, I am concerned with the entrenchment of language rights and equality for all our people regardless of whether they are French-speaking or English-speaking. I am concerned as one who comes from an area of high unemployment where the per capita income is still well below the national average. Sure I want equalization entrenched in the constitution, but I say to the House, and I say through you, Mr. Speaker, to the Prime Minister, that I cannot in all conscience support any constitutional renewal regardless of whether it was acceptable, or regardless of how commendable, so long as this government fails to fulfil to my province its solemn contractual obligation under the existing constitution.

Some hon. Members: Hear, hear!

Mr. McGrath: Sure, I would like to have the luxury of supporting the mobility rights of the constitution. Who could be against the free movement of Canadians in this country? I come from a province which has an unemployment rate which hovers between 15 per cent and 30 per cent—a national disgrace on the fabric of this nation. Our people are not trained. We have the highest out migration rate in the country. We are trying to train our people. They want to stay home and we want to keep them home. We now have the possibility of developing our offshore oil and gas. What do we do? Do we open up these jobs to people who have the industrial experience in other parts of the country and who have the luxury of mobility to come down and take these jobs away from the young Newfoundlanders who have not had the luxury of that mobility and of that training?

I say, sir, that I want a country where my children can move about freely, but I also want a province where there can be equality of opportunity. There cannot be equality if a man is faced with the choice of hiring an experienced rigger from Alberta against an inexperienced rigger from Newfoundland. Once we get the experience, if all things are equal, I would be prepared to put our people on an equal footing with everybody else, but so long as we have our young people unemployed, so long as we have a 30 per cent rate of unemployment, so long as these things plague us, how can you expect me as a Newfoundlander to stand in the House and support mobility? It is not a new concept. This very government has a policy which provides that only native people will be hired north of the 60th parallel on the pipeline. Every municipality has a policy which says that you will hire all your own ratepayers first, and every province has that policy. All we want is the same principle.

● (1640)

I am one who became a citizen of this country by an act of this Parliament in 1949. I want to build in this country a climate of opportunity and freedom for my children. I take second place to nobody. I was denied these opportunities, indeed I was denied these basic freedoms. I had no say when my constitution was suspended in my country, and now I am asked to support what I find personally abhorrent, a measure that would ask that very colonial power to pass human rights and linguistic measures which rightfully belong on the floor of this Parliament and nowhere else. I find that personally repugnant.

Some hon. Members: Hear, hear!

Mr. McGrath: Let no one think for one moment, because I take that position and because my colleagues may take that position, that we are opposed to constitutional renewal and that we are opposed to unilateral patriation. God knows we want our constitution back here. National pride dictates that we have it back here, but that same national pride dictates that our constitution be framed in our own Parliament, in our own legislatures and nowhere else.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Chair will recognize the hon. member for Témiscamingue (Mr. Tousignant) on a point of order, but as I did earlier with respect to the hon. member for Burin-St. George's (Mr. Simmons), I should note that the time for debate accorded to the hon. member for St. John's East (Mr. McGrath) has now expired and it is only with his consent and with the consent of the House I will permit a question.

Mr. Tousignant: Mr. Speaker, I will put my question to the hon. member in English, but he may need Rolaids after a while. It is easy to discuss and comment on the past, but I should like to know from the hon. member what his position would be now if the government had not implemented the War Measures Act ten years ago and if, for example, Place Ville Marie had been blown up killing 5,000 people.

Some hon. Members: Oh, oh!

Mr. Tousignant: What would be his position? It is easy to comment on this.

Mr. McGrath: Mr. speaker, I doubt if I would serve the cause of this debate well if I were to get into such a hypothetical question or to deal in any substantive way with the question. I mean no disrespect to my hon. friend. I just do not feel this is the time to go into it.

Hon. Jim Fleming (Minister of State, Multiculturalism): Mr. Speaker, I, like all those who have spoken before me in this debate over the last couple of days, express my pleasure and delight at the opportunity of contributing to this very important debate. Indeed I hope in hindsight several months or whatever from now it will be considered an historic debate.

There are several aspects in the proposal the government is putting forward to this House and to the special committee which deserve thorough consideration. I think in total out of

the package of 12 issues brought before the first ministers several weeks ago, the constitutional bill being put forward indeed covers three of those issues. As Minister of State for Multiculturalism vested with the responsibility of exercising and attempting to have my cabinet colleagues and, indeed, Parliament, exercise the principle that Canadians of whatever origin are equal in our country and should be treated equally; also as the minister of state responsible for a division or directorate within the citizenship branch of the Department of the Secretary of State carrying out a number of policies to bring various groups and sections of groups in Canadian society up to a level of fair treatment and a sense of full participation and allowing, through those policies, the retention of culture; especially as a fourth term member of Parliament representing the constituency of York West, a very culturally diverse constituency for which I have great pride; and as an observer throughout the first ministers' conference several weeks ago, an observer particularly struck by the arguments put forward by several premiers in the area of human rights—I think those arguments were put forward in sincerity and with good will, but were ones with which I fundamentally disagreed—I want to dwell particularly on the proposed charter of rights and freedoms in the time available to me today. I will do that in the context of the contribution of my colleague who spoke before me, the former minister of fisheries in the previous government. With some passion and, I am sure, sincerity, he expressed his view of how we could move in an area like this in Great Britain rather than in this Parliament. The very essence of that argument is the difference between ourselves and the official opposition. Indeed we believe that this Parliament will approve the principle of entrenchment—we hope it will—and that the Parliament of Great Britain will not question the wisdom of this Parliament, and indeed it will be this Parliament that makes that decision.

Some hon. Members: Hear, hear!

Mr. Fleming: For more than half a century people of good will in all parties have tried and failed to put human rights in our constitution. I think all of us on all sides of the House have asked ourselves why in the recent months and years that this debate has gone on. I think one of the two main reasons lies in an observation of Stuart Keate, the well-known west coast publisher. He said:

> Canada on any world menu must be considered like a good vichysoisse—cold, part French and difficult to stir.

In the realm of human rights I think the analogy is right on. The subject of human rights does not stir most Canadians. Most Canadians seem to take human rights for granted. As Bertrand Russell said, we have every right in the world until we need them. Only then do we realize that human rights are the stuff of life, our shield against the arbitrary authority of a bureaucrat, a policeman, a magistrate, a school board or a politician; our guarantee of fair treatment in school, office, factory or farm; and that the end of such democracies as Chile and Greece began, as in Hitler's Germany, with violations of human rights no worse than we have known here in Canada.

The other reason we have failed to act will be plain to all who listened to the federal-provincial talks of last month. The majority of first ministers, fervently led by Premier Lyon, vehemently opposed entrenchment. Listening to the premiers gave me a feeling of *déjà vu*. Human rights have been debated in this House since confederation. Sir John A. Macdonald and Sir Wilfrid Laurier could probably speak on the subject without notes, and all that would be different would be the examples they would give in their speeches. The well-known historian Macaulay has written the following:

> The more we read of the history of past ages, the more we observe the signs of our own times.

Our debate continues the arguments of Sophocles and Cicero. Saint Thomas Aquinas talked of a natural law superior to man-made law, which man could perceive in the order of the universe. Out of natural law came natural rights, then the ideals of liberty and equality which, of course, throughout history toppled powerful governments in America and France, and the evolution of human rights in nations such as our own.

There are 2,000 years of history written eloquently in blood, and misunderstanding or non-understandings of human rights are still with us today. The issue is not whether human rights should be protected. The premiers are all committed to protection, but they say among other things that we are already well protected by our present constitution, traditions, and federal and provincial bills of rights.

Let us look at what protection we have now. We have the British North America Act, one of the world's oldest constitutions. It brought to Canada the theory of the sovereignty of Parliament, restrained only by the need of each order of government, federal and provincial, to stay within their allotted jurisdictions. It guarantees some political rights, some minority and cultural rights, and it gives us a constitution of law in a context of British tradition.

What this means was vividly illustrated in 1938 when the Supreme Court of Canada tossed out an act by a Social Credit government in Alberta which some members here will remember. The act required all newspapers to reveal their sources of news and to publish, free, information supplied by the government. The BNA Act gives the federal government the power of disallowance. It can veto within one year any law passed by a province, so Alberta's act was disallowed. When the case came before the Supreme Court, Chief Justice Duff searched the BNA Act to determine if the veto was justified. He found his enlightenment in the preamble, which describes our constitution as being "similar in principle" to Britain's. The Justice said that meant a freely elected Parliament, and that in turn depended on freedom of speech and a free press.

● (1650)

But some experts doubt that this rather creative interpretation of three little words is enough to stop a province from muzzling the press. The words are in the preamble, not in the operative part of the act. The act sets up a federal form of government, not a unitary form as in the United Kingdom; the

words "similar in principle" may very well not apply, and probably were not intended to.

As for the power of disallowance, it has fallen into disuse. It was not used in 1959 when the government of Newfoundland tangled with two international unions and passed a law against freedom of association. No Quebec statute has been vetoed since 1911, despite gross violations of human rights. To say that the federal government is reluctant to use its veto power is, to say the least, an understatement. As a safeguard of human rights, disallowance proves the precept that power unused does become power abdicated.

Next, we have the 1960 federal bill, Mr. Diefenbaker's Bill of Rights. It protects our basic rights and freedoms, but as has often been said in this house, despite the efforts of a very distinguished Canadian it is little more than another statute. Unlike a constitutional statute it can be repealed any time by any federal party with the majority. It gives people no protection against provincial violations in areas of provincial jurisdiction.

The Diefenbaker bill gives us, for example, the right to the enjoyment of property. But the Hutterites in Alberta have been restricted by Alberta law from enlarging their agricultural communes. Some judges in previous cases have held that the provinces' authority over property and civil rights includes civil liberties. If so, our federal bill of rights is no protection. What about provincial bills of rights? All provinces have them. But they also have the power to amend, appeal or get around them, and with this goes the power of discrimination.

For example, the government of Quebec has a freedom of worship act that dates back to 1851. But for most of three decades, the thirties, forties and fifties, the Duplessis government in Quebec persecuted the Christian missionary society known as the Jehovah's Witnesses. Homes were entered without a warrant, peaceful meetings were broken up, bibles and hymnals illegally seized, women jailed without trial, and hundreds convicted of sedition. When Frank Roncarelli of Montreal, a rich and respected restaurant owner, posted bail for 393 witnesses over a period of two years, premier Duplessis ordered his liquor licence be cancelled. It ruined a family business that catered to distinguished customers like the Barrymores, and forced Roncarelli to take a job as a labourer. It took him 12 years to get back a fraction of what he had lost because he had tried to be helpful and exercise his freedom.

This violation of Quebec's freedom of worship act was finessed through the Quebec Liquor Commission, which could only be used by permission of Quebec's attorney general, who happened to be premier Duplessis, through a magistrate who ruled that the Jehovah's Witnesses were in business and thus required a permit they could not afford, and through a Quebec City bylaw forbidding the distribution of any "book, pamphlet, circular or tract whatever without . . . the written permission of the Chief of Police".

Not only were the Jehovah's Witnesses and their sympathizers outlawed, freedom of the press was clearly in police custody. For when the Quebec Superior Court upheld the Quebec City bylaw as "necessary for the protection of good order", a dissenting judge pointed out that the bylaw could just as easily prevent the distribution of election literature or any city newspaper.

When the Supreme Court of Canada finally overruled the bylaw as infringing on the freedom of worship act, premier Duplessis simply had the act amended. Clearly, nothing but public opinion prevents any provincial government from violating fundamental freedoms. Thus, liberty varies from province to province. More important, there are gaps in the law into which our rights can fall, a grey area between federal and provincial jurisdictions. Indians are frequently victims of this gap. But provinces claim they cannot do anything about it because the federal Indian Act supersedes a provincial bill of rights.

Women, too, have little protection. In the late 1960s, for instance, a policewoman in Sault Ste. Marie sued the Police Commissioner, the Police Association and the city. She claimed she was doing the same work as male policemen and not getting as much pay. The Ontario Supreme Court dismissed her case. In almost every category of work, women doing the same job as men are paid less.

Black and coloured people have little protection under our laws as they exist today. A 1975 York University study found 39 per cent of blacks in Metro Toronto had been barred by colour from buying or renting housing, and 38 per cent had suffered discrimination on the job or in looking for a job.

It is clear only a federal bill of rights entrenched in the constitution would be binding on all levels of government. Nevertheless, Premier Lyon of Manitoba in that much touted speech of several weeks ago argues entrenchment would be "contrary to our traditional and successful parliamentary government". He claims that since Britain has no constitutional bill of rights, Canada does not need one either. Anyone who says we do, he seems to suggest, is denying the genius of unwritten English common law and tradition. On a sentimental level I appreciate this view, as do members on all sides of the House, but I would not want to have to explain it to our victims of discrimination. As logic, to put it bluntly, it is a non-starter.

The reality is that many basic British freedoms are in writing. I think too many members of this House and Premier Lyon have forgotten that. In the thirteenth century England's barons found their ancient, unwritten liberties were being destroyed by the sovereign, so they had them written down in the Magna Carta. Then, in the seventeenth century, public opinion once again outgrew the law as practised by England's rulers, and the law was written down again in the 1689 Bill of Rights. The British have done this again and again, in writing. All Britons are well aware that their rights were bought with the lives of their ancestors. Can anyone imagine Mrs. Thatcher repealing habeas corpus? This and other pillars of freedom have so strong a moral force they are almost as binding in Great Britain as the constitution, as any constitution, and they were, indeed, written in law.

Another misconception is that the British themselves are satisfied with what has been called their miscellaneous, uncol-

lected, undigested mass of statutes, legal decisions and vague understandings. They may not have been dissatisfied before the growth of credit, electronic eavesdropping, and Third World immigration began to change their social mores and practices. Their system worked well when laws were made by Parliament. But now the bulk of all laws, here and in Britain, are made without public debate, and embodied in thousands of regulations that, with the best of intentions, could infringe on people rights. Even in Britain, the bastion of Parliamentary supremacy, the growth of government has coined such phrases as "administrative lawlessness", and British legal experts are now pointing out that, when unwritten codes are weakened, written codes are required.

My third comment on Premier Lyon's trust in English common law is that any comparison is irrelevant anyway. Britain is a small country, Canada is huge. Britain has one government, we have 11. Theirs is a unitary state, ours is a federation. They have a strong family structure, a high tolerance of non-conformity, and a population that is still fairly homogenous. We have two official languages, and one-third of our people represent almost all the nations on the globe.

Mr. Lyon contends our system has worked better than that of the United States, where the existing constitution guarantees human rights. I agree that our record on rights is relatively good. But we disenfranchised Asians at the turn of the century in British Columbia, a decision upheld by the Supreme Court, which shows that Canadian citizenship does not guarantee the right to vote. We have denied Chinese in British Columbia the right to work in certain jobs. But it is true we have not systematically oppressed any minority as the southern United States have persecuted blacks. Nor have we had the problem those states have had.

The United States constitution could not disallow racial prejudice, but it was the United States Supreme Court that in 1944 declared the so-called "white primaries" unconstitutional and stopped politicians from making appeals to prejudice. It was a series of decisions by the Supreme Court in the 1940s that laid the foundation for laws giving blacks equal treatment in factories, streetcars, baseball and hotels. It was the United States Supreme Court that in 1954, in a landmark decision, ended segregation in the schools. Without the entrenchment of rights in the American constitution, the black people would be much worse off, and Premier Lyon should think of that.

● (1700)

We have one vivid example, also cited by Premier Lyon at the first ministers' conference, where racial pressures and responses in both countries were similar. Following Pearl Harbour, in Canada and the United States west coast citizens of Japanese descent were rounded up, dispersed or interned, their homes and businesses confiscated and sold at bargain basement prices. Cars worth a couple of thousand dollars sold for a couple of hundred dollars. The chicken farm and two-storey house of a twice-wounded Canadian World War I veteran sold for $1,492, after which sale expenses and taxes were deducted.

Mr. Crosbie: That is Liberal party history you are reading.

Mr. Fleming: The U.S. Supreme Court failed in this atmosphere of hysteria to uphold the most ordinary rights of citizenship. But after the war the U.S. constitution was invoked to provide compensation for all losses naturally and reasonably arising from the evacuation orders. In Canada there was no compensation unless claimants could prove that the Custodian of Alien Property had acted carelessly, which was never an issue.

In the United States the constitution recognizes an accused's right to free legal counsel at every stage from arrest to appeal. In Canada free legal aid is probably just as available, but the right to counsel has no such broad protection. The American constitution authorizes the court to see whether or not the accused had a fair hearing. In Canada the court only considers if the warrant of commitment is valid, it does not probe into the heart of the matter. And in such areas as women's rights, privacy and pollution, the American constitution has been more effective by far than our statutes.

Premier Lyon and Premier Blakeney might declare that it is too effective. Entrenching rights, they say, would put us at the mercy of the judges who would have to interpret what those rights would mean. They say it would transfer power from elected representatives to appointed officials who could strike down laws which people feel protect their community values. Premier Lyon asked at the first ministers' conference, "Does freedom of expression mean we can't combat pornography?". And he notes that the constitutional right of Americans to bear arms has hindered U.S. gun control legislation. The right to life has been a part of Canada's Bill of Rights for 20 years, but the court has yet to interpret it in relation to the death penalty, euthanasia or abortion; it has left that to our legislatures.

The Chief Justice of our Supreme Court, Bora Laskin, has chided writers who have implied, as he said, "That we have some sort of mandate . . . to overcome what Parliament has prescribed". Laskin says flatly, "We can't do that at all". Our courts do not take power from the people, as the premiers claimed at the conference, and constitutional rights would not give the courts new powers, only new laws. The courts have always decided disputes between citizen and state, and constitutional rights would not change that function. It would not take responsibility from elected representatives, and it would not mean relinquishing democracy. It would merely define the limits of power and thus ensure democracy at a level that it is not ensured at today.

It is, in fact, our governments of elected representatives that have most often infringed on human rights. Those same governments represented by the premiers at the conference should argue that the public wants first to go to government, not to courts. As Premier Lyon says, "We are representative of the people, but we are most representative of the people with the most influence".

The human rights codes and acts of the provinces all contain clauses that allow a cabinet minister to make exclusions in

protected areas, and no matter how fair a politician tries to be, we are all subject to pressures that at times can distort our views. These pressures are most in evidence when we most need to keep cool. World War I, World War II and the pre-war and post-war communist scares each gave us hundreds of victims of violated rights. The infamous padlock law of Quebec allowed the attorney general to padlock the home of anyone suspected of preaching communism, and the term was undefined because the then attorney general of that province claimed that communism can be felt.

Families were thrown into the street and dispossessed without trial. Trade union offices were raided, civil liberties meetings were blocked. For a time the *Montreal Star* would not take a paid ad from the CCF. It took 20 years to get that law repealed, while the anti-communist laws of the mid-fifties of the United States, inspired by Senator McCarthy's demagoguery, were struck down by the Supreme Court in less than half the time.

It is not a matter of how much one dislikes communists. It is always the unpopular who most need civil liberties. Unless we protect minority opinions, we are not protecting any, because majorities are never in any danger. As John Stuart Mill wrote, "Christ was crucified, Socrates condemned, and Galileo imprisoned on the basis of majority opinion". It is the tyranny of the majority that minorities have to fear, not the tyranny of the judiciary.

The constitutional bill would place minority and individual rights beyond the reach of majority opinion, and beyond the reach of political expediency. Rather than lessen, it would increase legislative responsibility, since the constitution would force us to exercise more care in delegating power to administrators. Premier Lyon has tried to turn the virtue of entrenchment into a defect. Opinions change, as he points out, and new rights emerge—rights for children, homosexuals, the handicapped—and entrenchment would prevent further progress. History gives us no grounds for such fears. It has certainly not prevented the growth of liberty in the United States.

In Canada it was common not all that long ago to refuse to sell property to a Jew. A case was taken to the Supreme Court in 1945. Our time honoured right to do what we want with our property had come in conflict with developing views against discrimination. Mr. Justice MacKay invoked the UN Charter with its principles of human rights to show that such discrimination went against public opinion.

Whenever the precise meaning of a statute is in doubt—and words being what they are, it usually is—our judges, as law professor Frank Scott has noted, prefer the one that interferes least with individual freedom. "Courts," says Chief Justice Bora Laskin, "necessarily, are creative". But Premier Blakeney says that the right to go to court is for many people a hollow mockery of liberty, a right only for the rich, that the best way to effect change is to badger and lobby your MP. True, it is cheaper to write to one's MP than to get a lawyer. But if a law has violated one's rights, will that action change the law? As Premier Hatfield has stated, "You don't change laws like that". When sanctions are absent, rights are imaginary.

On the other hand, entrenching rights could not stop a legislator from going to bat for a constituent. It would not stop a constituent from badgering and lobbying. The constituent would have the best of both worlds. Premier Blakeney at the first ministers' conference made one final point; true security is not "entrenched rights protected by a court," he says, "but our country's, spirit of moderation and tolerance". He quotes an American judge who wrote, "that a society so riven that the spirit of moderation has gone, no court can save; that a society where that spirit flourishes, no court need save."

In answer, let me quote another American, a man with some experience in civil rights, Dr. Martin Luther King. He said, "Morality cannot be legislated, but behaviour can be regulated. Judicial decrees may not change the heart, but they can restrain the heartless." In a country like ours, with so many different racial and ethnic groups, rights that depend on public sentiment alone are far from safe. Recent history confirms that a country which is free is safer than a country which is not.

We need an entrenched bill of rights to underwrite liberty and safety in Canada. We need it so that learning the constitution in school will teach children that indispensable spirit of moderation and tolerance. We need it so that our legislators can measure new laws against it, and so that our bureaucrats know what they can and cannot do. We need an entrenched bill of rights because we have had attacks on East Asians in Toronto, and because in one western province alone we have had recently four crosses burn on the lawns of West Indians and Asians who have come to Canada. We need it so all Canadians in this country will know that we all weigh the same on the moral scale. We need it because to become a nation in law we must have an entrenched charter of rights and freedom.

We need that entrenched bill of rights to guarantee in practice what all three political parties in this House endorsed in principle almost ten years ago—the reality of our cultural pluralism, or what many of us call multiculturalism, that each and any of us, no matter our heritage or national origin, no matter our race or religion, we are in Canada all equal.

Mr. Waddell: Mr. Speaker, before the hon. member to my right begins, I wonder, if there is time, whether the minister would permit me to ask him two short questions?

The Acting Speaker (Mr. Ethier): That would require the unanimous consent of the House. Is it agreed?

Some hon. Members: Agreed.

• (1710)

Mr. Waddell: I appreciated the minister's speech, as I always do. May I take it that the minister is not committing the government, but personally would be prepared to consider compensation from the Canadian government to Japanese Canadians? Perhaps some sort of fund for Japanese Canadians

could be provided, if the matter cannot be worked out with individual Japanese Canadians, for those, as the minister quite properly described them, unjust acts that took place during wartime on behalf of the Canadian government in depriving them of their property.

Mr. Fleming: Mr. Speaker, when I rise in the House I rise as a member of the government and I must express myself as a member of the government. As I understand it, there is no policy at this time to do what the hon. member suggests. I have often expressed my personal view, as I did in this speech as the minister, of the terrible events that took place at that time. When I look back at history, at a time when I was not here, at this act which I believe was wrong, I agree with the hon. member. I am not the Minister of Justice and neither am I, as minister or as a member of cabinet, in a position to give any kind of assurance, but I think I have expressed clearly my view of what took place after the war and during the war regarding Japanese Canadians.

Mr. Waddell: Mr. Speaker, I appreciate the minister's answer and I hope he will take up the matter of compensation for Japanese Canadians with the government.

The minister cited a number of examples of provincial violations of civil liberties such as the padlock law, the press laws in Alberta and others. When one studies civics, history or politics in Canadian schools, examples of provincial violations are given. In light of the recent evidence regarding the War Measures Act to which the minister made reference, is he prepared to say or was he saying that it was wrongfully applied ten years ago? Was that his position?

Mr. Fleming: No, I have not said that, Mr. Speaker. I think we all look back on any event in history that led to the incarceration of people, or the limiting of rights, with some concern. We heard some excellent comments on that from the hon. member for St. John's East (Mr. McGrath). I recall, as a journalist at that time, that with the exception of two members of the NDP, all members of this House voted for the imposition of that act.

An hon. Member: No, they did not.

An hon. Member: No.

Mr. Fleming: I thought that overwhelmingly members on all sides of the House did, but I stand corrected. Overwhelmingly, but not all, an hon. member says.

If the hon. member who asked the question listened to my speech, he will know that I do not think that the position on an entrenched charter of rights or the current situation is absolutely cut and dried. It is still the public will and mood that affects judges as well as it affects legislators. I believe entrenchment of the boundaries within the constitution is a much better protection than simply the will of Parliament at any time.

During the course of my speech I tried to give a number of examples of that and to argue against some of the points made by Premier Lyon. We are human in what we do in this Parliament. We hope that the constitution protects, sometimes, against our weaknesses, with all the good will and good intentions that we have.

Mr. Taylor: Mr. Speaker, I am sure the hon. member does not want to mislead—

The Acting Speaker (Mr. Ethier): Order, please. Is the hon. member rising on a question of privilege?

Mr. Taylor: I have a point of order, Mr. Speaker. I am sure the minister does not want to mislead the House. He expressed the opinion that Hutterian brethren were suppressed in Alberta. Mr. Speaker, since the election of Premier Lougheed in 1971, Hutterian brethren may buy land like anybody else in the province of Alberta.

Mr. Fleming: Mr. Speaker, the hon. member suggests that I misled the House. My information is that the current statutes provide that no Hutterite colony may acquire land within 40 miles of any other colony and that the land they bought must be less than 6,400 acres and must have been on sale for 90 days. It seems to me that that is discriminatory.

Mr. Taylor: That was thrown out in 1972—per usual the Liberals are ten years behind the times.

The Acting Speaker (Mr. Ethier): Order, please. Perhaps the hon. member and the minister can get together behind the curtain and settle this. The hon. member for Cambridge (Mr. Speyer).

Mr. Chris Speyer (Cambridge): Mr. Speaker, in rising this afternoon to take part in the debate which concerns the fundamental re-examination of our democratic institutions, which concerns the nature of the relationship between the federal government and the provinces, which concerns the rights of individuals, it is difficult for me to find words to convey adequately my sense of apprehension about the changes being proposed by the government.

The resolutions being proposed are pregnant with implications which go to the very root of the social contract which underpins the desire of Canadians to live together.

Today in this country, in the west, there is a legitimate sense of apprehension. There is a sense of resentment, and there is a sense of alienation from central Canada. This is caused, in many ways, by the legitimate perception that central Canada is trying to exclude the influence of the west in terms of our national body, Parliament, and certainly in terms of our federation.

In the last year we had an illustration of this within the province of Quebec which was debated and where there was a decision by way of a referendum, the subject matter of which was the very status of a province within confederation.

Regarding Atlantic Canada today, posited upon foundations of equity, we have heard the demand for offshore resources so eloquently put by my friend from St. John's East.

In my province, Ontario, there is a genuine concern among people and in government about the effect of high oil prices on our economy and industry. There is apprehension and a sense of concern about whether the rapid growth of industry, which has hitherto taken place in the province, will be arrested as a result of the ability of other provinces to attract the same type of industry.

What we have in this country, in my respectful submission, are tensions and concerns which besiege us and which demand the necessary political compromise and which will allow us to live together in a spirit of national community as one people.

What we are searching for, and what it is imperative that we find, is a process of continual renewal that will enable us to reach a consensus to live together as issues transform themselves from day to day, from year to year, from decade to decade.

The constitution we are seeking to amend is based upon political compromise. What could have seemed more improbable in 1864 than George Brown, in what is now Ontario, crossing the floor of the House and, on the basis of an issue of national federation, making an offer to support the Macdonald-Cartier government? What could have been more improbable than that? What could have been braver than Mr. Cartier accepting such an offer in circumstances where there was such hatred between Canada east and Canada west?

The compromises made at the birth of our country by Sir John A. Macdonald with respect to his preference for a unitary state are well known. He believed in a unitary state, but because of the make-up of the country he saw how necessary it was to have a federal union.

The point I wish to make in the most emphatic way I know, is that this nation was founded on agreement reached voluntarily by the Fathers of Confederation. This agreement is the very essence of a democratic constitution with terms to be arrived at by the consent of the parties. It is that consent which makes it enforceable. Without the act of agreement, without an act of consent, and without the voluntary nature of arriving at terms which are acceptable, it is the very denial of freedom which is the hallmark of this country.

The resolution brought forward by the government which imposes an amending formula on our constitution, in the absence of consent, could have the gravest consequences because it will necessarily increase the divisiveness which exists in the different regions of the country. It is an act which negates the desire to work out the political consensus which is the essence and spirit of confederation. It is of dubious legal validity.

If the Minister of Justice (Mr. Chrétien) truly believes that the course of action he is pursuing is the correct one and if it does have constitutionality, then why will he not refer the matter directly to the Supreme Court as expeditiously as possible and put at rest the legitimate concerns of the premiers and of members of this House? Why will he not do that in order to determine its validity?

Mr. Waddell: He thinks the courts are unreliable.

• (1720)

Mr. Speyer: Mr. Speaker, there are a number of areas to which I would like to address my attention. The first is with respect to the charter of rights, which the Minister of State for Multiculturalism (Mr. Fleming) spoke about at great length. There seems to be an innuendo, certainly from the speech given by the Minister of Justice, to which I listened attentively on Monday, that to oppose or to doubt the value of entrenchment of some of these rights is to doubt or to oppose the rights themselves. This is an absolute distortion of the truth. The Minister of Justice in his speeches this summer and in the speeches he has given in the House respecting this matter, has told us about the nobility of the values espoused in the charter of rights. What I think needs assessment in this House and what the public needs to understand are the implications of entrenchment and the implication of special entrenchment of these rights.

Essentially, members of this House and members of the public must come to grips with and must understand that there is going to be a major shift of power from Parliament and from the legislatures to our courts. We must recognize that fact, and we must understand what its implications are.

The Minister of Justice has quite accurately outlined the antecedents of the codification of rights since 1947 with respect to the bill of rights in Saskatchewan. He has passed on to the Bill of Rights which Mr. Diefenbaker introduced in 1960, which was accepted by this House, but there is certainly nothing new to this. We know that with the Magna Carta there was the desire of the people of England at that time to have an acknowledgement, to have written down and to have a codification of what rights did exist. That same principle and policy prevailed with respect to the petition of rights in England in 1689. We know what happened in France as the Minister of Regional Economic Expansion (Mr. De Bané) pointed out in his address to this House. We certainly know that it happened in the United States. But, what are the implications of entrenchment and what are the implications of a bill of rights?

Let us just juxtapose the rights which are in the Bill of Rights with those that are in a charter of rights, and let us compare them. Surely there is no difference in the Bill of Rights between freedom of religion and freedom of religion within the charter of rights. There is no rational impact in terms of difference.

The point is what consequences flow as a result of putting them in a charter of rights which do not exist in a bill of rights? It seems to me the question to which members of this House must address themselves is: are we enlarging the rights of citizens by including them in a charter of rights? Or, are we in effect giving better protection to the people of Canada by embracing them in a charter of rights than that which now exists within the Bill of Rights? What are the implications of this?

There is no doubt that many people view the Bill of Rights on one level as a great success because it did codify the essential beliefs which Canadians have. But on another level, and this is something that one probably does not see except maybe hear from law school professors or in decisions of the court, the Bill of Rights in some ways has not been successful. That is the fault of Parliament, and it was the fault of Parliament at the time it was passed. What members of Parliament did not do was state clearly, as was their duty, what implication follows as a result of a violation of one of those rights, what consequences will flow in circumstances where there has been a denial of some of these rights.

In particular, I would like to address my attention to that question in the context of certain examples. I think it is very important, in terms of the legal consequences that may flow, that before we choose a preference—and that is what we are doing here—we understand exactly what those results are.

Let me give this illustration. Under a charter of rights there can be no doubt, certainly on the basis of the speech which has just been given by the Minister of State for Multiculturalism, nor on the basis of the paper which the Right Hon. Prime Minister (Mr. Trudeau) gave when he was attorney general of Canada in 1966 with respect to codification and a charter of human rights—I have that document, which is public; nor can there be any doubt that they wish an American type of system. What are the ramifications of such, and are they desirable?

First of all, if we had a system in which the primacy is given to the Bill of Rights or to certain legal implications arising from these rights, what happens in circumstances where a man is charged with possession of stolen goods and a police officer makes a technical mistake in a search warrant? A raid occurs with respect to certain premises where, let us say, ten pounds of cocaine are found. The search warrant is defective, the search and seizure are unlawful and, under the charter of rights, because there was an unlawful invasion of rights which we wish to entrench, that man will go free.

What were the circumstances of common law? The circumstances of common law were that even though the search warrant may have been technically invalid, that evidence of finding the cocaine does not become inadmissible; it does not in any way exonerate the offender. The choice we have to make is do we give primacy to these types of rights? Do we understand these types of matters? Say, for example, in a case where a man is charged with an offence and gives a voluntary statement acknowledging the commission of the offence but he is not accorded by the police officer at the first reasonable opportunity his right to counsel—should a man be able to walk the streets and to be exonerated in those circumstances because a police officer has neglected to give that warning, which is a person's constitutional right under the charters of rights?

These are very difficult choices, because there are two rights and there always have been two rights. We have had to balance them. We have had to balance the right of liberty and the expectation that a person's rights are going to be afforded to him on the one hand, and the right certainly that a guilty man should not necessarily go free because the constable blundered. Those are the choices that we have.

There are certain rights that I expect will be entrenched with respect to questions on freedom of religion and freedom of conscience. It may well be that those rights ought to be entrenched. But there are other rights which are contained in these resolutions which cause me a great deal of alarm. I heard mention made of Premier Lyon. I happened to be in attendance on the day when he gave his exposition of his point of view with respect to it. I was very impressed by the reality and the practicality of the submissions he made at the first ministers' conference. Let us make no mistake about it, there will be a major shift out of this House and into our courts. It will be the courts that will be deciding social policy. In this regard, maybe our leading constitutional expert, certainly in the twentieth century, Mr. W. P. Kennedy, in terms of how the British North America Act was interpreted by the courts, said: "Seldom have statesmen more deliberately striven to write their purposes into law, and seldom have they more singularly failed before judicial technique of statute interpretation."

If we are going to entrench rights, if we are going to entrench legal rights, let us at least have the courage to give the courts a proper sense of direction. Let us tell them within the charter of rights what we expect when there is a violation of those rights. We did not do that adequately in the Bill of Rights, unfortunately. This charter of rights is absolutely silent on the point. Certainly the courts have the right to expect that we will give them a sense of direction. If they are to have judicial review with respect to these matters, do we not have the duty to tell them, to argue among ourselves and to vote on whether they are in the circumstances, for example, legal rights?

• (1730)

Are they to take the primacy of those legal rights and knock out the whole tradition of common law, that evidence which is relevant to the commission of a crime may very well be inadmissible on the ground of a violation of some of these legal rights? These are difficult questions, but they absolutely must be addressed.

Resolutions have been put forward without any discussion so far of the implications. This is dangerous. We must at least say what we expect to come out of these resolutions. I find them totally inadequate in that regard.

When talking about the constitution, I would feel personally remiss if I did not state some expectations that I have with respect to this country and some of my personal feelings, because I believe the policy of this House is motivated by one's philosophy. I believe there is an historic rhythm to almost everything in life. I believe there will always be times of prosperity and times when we are not so prosperous. For example, when confederation took place, as a result of my reading of the confederation debates I feel that there was a great expectation that the west would not be annexed by the United States, but would grow and be a place of great opportunity for people in Canada.

What happened? In the first 30 years of this century there was absolutely no doubt that that challenge and opportunity were being fulfilled. Then two factors occurred. One was the drought and one was the depression. Time passes on. In the seventies, as a result of historical accident, energy, which previously we had in abundance, became a scarce commodity. The west, which has an abundance of oil, natural gas and energy, again became a place for prospective prosperity.

The design of this country cannot be to alienate a region of it which is entitled to its own sense of determination in order to improve the standard and attain the aspirations it has within confederation. I might make an analogy that I hope the members from Quebec may appreciate and be more sensitive to than other members. In the sixties, governments within Quebec were certainly federally oriented. They knew that there was a revolution occurring. It was called the quiet revolution within Quebec. There had to be some acknowledgment of some type of singular or special status to acknowledge the history of people who live in Quebec. They said we must have this because it is the will of the people within this province.

What did Anglo Canada do? It probably cast a deaf ear. They did not believe what was happening in Quebec in the sixties. We did that to our great detriment, because there is an evolution to things. We came to recognize in the seventies the frustrations of the sixties and what people were saying within Quebec. We were faced with a government that was determined to separate from Canada as a result of our lack of sensitivity.

By parity of reasoning, may I say to this House that the same phenomenon is occuring in the west. My great apprehension is that the government is insensitive to a sentiment that is occurring in the west. There is a hardening. I am not a westerner, but I have had the advantage of being in the west on a great number of occasions in the last year, for personal reasons.

I have talked to my colleagues in the west. I believe them when in caucus they talk about the sentiment within their ridings. I believe there is a sense of alienation and resentment. I believe there exists a sentiment that a leader could lead them in the same direction that René Lévesque led Quebec.

Some hon. Members: Hear, hear!

Mr. Speyer: Does the government, with the majority of seats in this House, have the perception which we lacked in the sixties to stop this in the bud? Does it have the good will? Does it have the humility to be able to talk to western premiers, to understand the sentiments of the west and to react in a sympathetic way to their determination to have within their region a sense of prosperity and a real say about the way in which this federation operates? That is the most important question.

As I said in my opening comments, I am firmly of the opinion that this nation is run on consent. It is run on a voluntary nature. The way in which we enforce the terms of confederation is by the act of consent or agreement. To impose the terms of confederation by acting unilaterally will do nothing except increase the resentment of the people in the west. We do that at our great peril.

I plead with members from Quebec and other members in the government party to try to understand these feelings. In my judgment, we can still negotiate, as Sterling Lyon put it. Why is there the necessity to rush constitutional change? Why must it be done by Christmas time? Why can the Prime Minister not meet and discuss some of these matters which are agitating Canadians?

An hon. Member: Is 53 years not enough?

Mr. Speyer: In those 53 years we did not have the problems in Quebec and the problems that we find in the west. If there is an imposition of terms that are unacceptable, what do you expect the sentiment to be in different parts of the country? I see the Minister of National Revenue (Mr. Rompkey) here. I am not sure what is happening in Newfoundland—

Mr. Crosbie: Neither is he.

Some hon. Members: Hear, hear!

Mr. Speyer: To listen to the arguments which the premier of that province is making on behalf of those people, it is significantly different from what is happening in the west? Those are the questions we must face in this parliamentary debate. The government should have the humility to extend the debate, to see if what they are doing, which is not by consent, certainly not with the consent of the provinces, is legal, because we are a law-abiding nation. There is profound doubt as to the legality of what is happening. What would be the problem with having the Governor General by order in council refer the matter immediately to the Supreme Court?

Apart altogether from the question of whether it is legal or not, there is absolutely no reason to rush into such profound changes in circumstances where we are going to act to the detriment of the community spirit which we all hope exists within Canada.

● (1740)

[*Translation*]

Mr. Serge Joyal (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the debate which began last Monday in the House represents an important period in the political history of our country. In view of its importance and of the interest it holds for the people of Canada and especially the people of Quebec, it is the duty of each member to express his views, give his opinions, show his colours and give the reasons why he believes all Canadians should support the proposed resolution. Nobody has the right to remain uncommitted at a time when the rights, freedom and equality

we have fought for over the last 200 years are about to be decided in this House. The most basic and significant reason why we must endorse this bill is that it makes equality between French and English the cornerstone of the Canada of tomorrow. This struggle has been going on for 200 years. It began with the appointment of Jean-Antoine Panet as the first Speaker of the House of Assembly in 1793. This scene, where Francophones chose the first Speaker, after an historical event which gave us a common future with the other founding people, hangs in the National Assembly in Quebec City to remind each and every Quebecker that, so long as this resolution is not passed, the struggle, which began 200 years ago, will continue. In the nineteenth century many other prominent Canadians reminded their fellow citizens of this struggle they would have to continue.

I would like to quote Étienne Parent, one of the great economists of the nineteenth century, who said in 1840, and I quote:

> We ask that the English majority which will be in the united legislature treat the French language the same way the French majority which was in the House of Assembly of Lower Canada, under the old constitution, treated the English language.

What French-speaking people have always been claiming is not a particular status, or favours, nor have they made fancy requests; what they are looking for in Canada is essentially and fundamentally equality. This is what they claimed under Louis-Hippolyte Lafontaine in 1845, when the Parliament of Canada was, as it is today, about to send an address to Her Majesty to ask for the recognition of the equality of French and English and to have section 41 of the Union Act repealed. The representations made by Louis-Hippolyte Lafontaine brought about the inclusion in the constitution of 1867 of this article providing that, in our Parliament, English and French will be two languages which will have equal treatment. At that time several people, George Etienne Cartier first among them, thought that those provisions would be sufficient to enable French-speaking people to assume fully their roles and their responsibilities. In 1963, Lester B. Pearson had to take the initiative to create a royal commission to define, and I quote:

> —what steps should be taken to develop the Canadian Confederation on the basis of an equal partnership between the two founding races, taking into account—

—and he added at that time—

> —the contribution made by the other ethnic groups to the cultural enrichment of Canada—

That is what we are asked to crown today. In 1969, this Parliament adopted almost unanimously a piece of legislation which crowned all the hopes, that is the Official Languages Act which was passed with the support of all parties in the House. At that time, we all believed that it was the answer to the fears, that it was the hope which was going to bring French-speaking people to assume fully their roles in the Public Service of Canada and to see to it that the public receives in both official languages the services they require from the government of Canada. However, it took a sad story, the story of the Gens de l'air, and nobody in the House forgot it, to demonstrate that this piece of legislation, the Official Languages Act, was not without loopholes, unfortunately.

Is there anyone in this country who does not remember that for a whole week in June, 1976, public opinion had been set on fire against the use of French in air traffic communications? Is there anyone who does not remember that the tribunals had travelled throughout Europe for six months trying to determine the consequences of using French in air communications? Who does not remember the decision rendered by Quebec Superior Court Chief Justice Deschênes stating that the Official Languages Act was fundamental and that nobody, let alone Air Canada, could ignore the equality between French and English? Who does not remember that Justice Louis Marceau reversed that decision in January, 1977, stating that the Minister of Transport had sufficient powers at the time to prohibit the use of French in air communications and that the Official Languages Act could not ensure the equality of French and English?

All those who had believed in the law until then and who had thought that what Parliament had done in 1969 was a dream come true lost hope. In his Annual Report for 1978, the Commissioner of Official Languages had to urge Parliament to legislate again to give the Official Languages Act judicial priority over all other federal statutes. He had to do so again last spring, and I should like to quote him, so that all my hon. colleagues may realize that, among the various steps we are called upon to take, there is one which is directly in response to this admonition by the Commissioner of Official Languages.

The commissioner insists that the Official Languages Act should have judicial priority over all other federal statutes, in case of conflict between their respective provisions. He insists also that the equality between French and English be enforced, that it should apply to all ministers, directors of Crown corporations and agencies, higher officials, and that no one should be allowed to hide behind these statutes and regulations to forbid the use of either French or English. What the commissioner has asked for, Mr. Speaker, can be found in this bill in sections 25 and 16 of the proposed resolution. So I want my colleagues who freely express their opposition to this resolution in this House to be fully aware that the resolution answers the demands put forth continuously for over 200 years by generation after generation of Francophones, throughout this country and in this Parliament.

If the new constitution is to be successful in the future, it will be due to the fact that it recognizes in a fundamental way the equality of French and English within all institutions that come under the Canadian Parliament.

My colleague the hon. member for Matapédia-Matane and Minister of Regional Economic Expansion (Mr. De Bané) and myself have introduced several private bills in this House in the last three years to bring in these changes. Two years ago the government announced in the Speech from the Throne that they would fulfil these expectations. Today we have the opportunity to take a decision and I ask hon. members from both sides in the House to give due consideration to this aspect of the resolution. I know it is not perfect and I will elaborate on this later in my speech, but I would like hon. members to be fully aware that all Quebeckers who voted No last May did so with the conviction that a new federalism would start with the inclusion in the Canadian constitution of equality of the French and English languages.

● (1750)

And the critics we have heard in the last few days have jumped on this type of bandwagon. Those who have been saying lately that this move does not meet the expectations of a renewed federalism do not know what has been going on in Quebec in the last four years. They do not know that the new constitution must first establish clearly under what conditions and in which context Francophones and Anglophones will have to keep living together in this country.

This does not mean that the provision contained in this proposed resolution will necessarily succeed in allaying all concerns. The Commissioner of Official Languages once again has expressed other concerns regarding the language of work in the civil service. The proposed resolution does not contain any provision to this effect. Yet, in June, 1973, this Parliament stated, and I quote:

—civil servants should generally be able to discharge their duties within the Canadian government in the official language of their choice.

The conditions in which such a right can be exercised should of course be qualified. There is no Canadian in this House who does not recognize the special geographic conditions of the country, the regionalisms, the special needs of each constituent of our country.

Now that we have the opportunity to solve that problem once and for all, during consideration in committee we will have to ask the commissioner to provide the necessary explanations so that the resolution will finally answer all our expectations.

For several days now, we have heard a number of criticisms about Bill 101 according to which this resolution would undermine Francization efforts in Quebec. During the next few minutes therefore I would like to answer each of those criticisms, because if I were convinced that by passing that resolution we would jeopardize the future of French Quebec, I would be the first to object to it in the House. However, I feel that it is far from endangering the survival and development of French Quebec. The resolution is the specific answer to one of the most harrowing phenomena in Quebec.

First I would like to speak about what is commonly called the Quebec clause of Bill 101. We know that under that legislation Canadians from other provinces who settle down in Quebec must register their child in a French school unless they obtain a certificate proving that they will not remain more than three years in Quebec. The resolution under consideration repeals that clause of Bill 101 and I think that we should be glad about it.

The Premier of Quebec admitted, in 1977, at the time Bill 101 was passed, that that clause made him uneasy. He told us he had misgivings about balkanizing Quebec.

At the Montreal conference in 1978 he was prepared to abolish that clause provided other Canadian provinces reciprocated, that is pledged to guarantee the language rights of Francophones outside Quebec.

Today, we guarantee reciprocity in section 23(2) of the proposed resolution.

Quebec should not come and tell us we are acting against the views it held towards its Canadian partner. When one tries to grasp the extent of the problem, one realizes that the number of people to whom that provision of Bill 101 applies is, all things considered, quite small. In 1977-78, 915 people got a permit to enrol their children in an English school because they were either members of the armed forces, diplomats, students or researchers or other workers from other Canadian provinces coming to Quebec for a definite period of time.

There were 1,541 in 1978-79 and only 994 in 1979-80. Is that a threat to the cultural security of Francophones in Quebec? We must not kid ourselves or kid the people.

To say that this proposed resolution will allow all immigrants to send their children to English schools is really to misread the proposed resolution. And that fear the Premier of Quebec is sustaining in the consciences and minds of Quebeckers must be denounced. Section 23 says that a citizen of Canada whose mother tongue is French or English has the right to send his children to a minority language school. Specifically it means that an immigrant Australian, American, Spanish, Italian or from any country in the world, coming to Quebec is still going to send his children to French schools. That is what Bill 101 says and section 23(1) does not change that at all. Consequently, it is a falsehood, a mistake and a monumental fraud to say that immigrants to Quebec will be entirely free to send their children to English school.

The proposed resolution is that English-speaking citizens whose mother tongue is English, whether they were born in Canada or became Canadians afterwards, will enjoy the opportunity of enrolling their children in a school of the language of their choice. However, Mr. Speaker, one has to be aware of how far-reaching these changes can be. We should not frighten the people to the point where Quebeckers will be faced with something they will no longer be able to control.

If you consider the statistics with respect to immigration in Quebec particularly since the years 1976, 1977, 1978, you realize that in 1976, out of 29,282 immigrants who came to Quebec, 11,991 came from countries where one of the national languages is English. In 1977, there was a big drop and out of 19,000 immigrants who came to Quebec, 5,477 came from English-speaking countries. In 1978, there was an even greater decrease and out of 14,000 immigrants who came to Quebec, 3,685 came from English-speaking countries. We are now witnessing a restoration of the balance of English-speaking immigrants coming to Quebec in proportion with the English-speaking population in that province.

Mr. Speaker, may I call it six o'clock and, with your permission, continue tomorrow.

The Acting Speaker (Mr. Ethier): It being 6 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

(Editor's note: Pursuant to order made Monday, October 6, p. 3275, the following are the answers to the questions on the order paper then listed.)

RURAL MAIL DELIVERY ON SATURDAY

Question No. 20—**Mr. Cossitt:**

1. Has the Post Office Department been studying ways and means of discontinuing rural mail delivery on Saturdays and, if so, what are all the details?

2. (a) Was a letter written by Mr. G. A. Lambourn on this subject to rural residents in a certain area and, if so, did it ask people to reply to a questionnaire stating "yes" or "no" in regard to their opinions on the subject (b) did Mr. Lambourn's letter state in part "It is felt the same conditions of work should be applied to rural mail contractors" as compared to urban?

3. Did the Post Office Department take into account proper comparison between farm and urban residents such as (a) rural contractors are not on an hourly wage with vacation pay, pensions, etc., but work by contract (b) whether or not elimination of Saturday services would also eliminate newspaper delivery services to thousands of Canadians?

4. Will the Post Office Department reconsider any proposed policy to eliminate Saturday rural mail delivery and specifically, is it aware as to whether or not members of parliament are receiving numerous complaints on the subject?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Yes.

As part of its ongoing function to evaluate all services provided versus their costs and the changing needs for them. However, no action was taken one way or another until 1977 when in response to requests from many rural route contractors that they be permitted to enjoy a five day work week, a system was established whereby the frequency of rural routes might be reduced provided certain conditions were met; those conditions are that:

(1) The member of parliament in whose area the rural route operates is consulted and in agreement with the conducting of a survey.

(2) A survey is made from which 66.6 per cent or more of the persons affected indicate that they are in favour of the reduced frequency.

(3) The local member of parliament is informed of the survey results and should the required two-thirds of the persons affected have indicated approval—gives his endorsement to the frequency reduction.

2. (a) Yes, his name has appeared on letters sent to persons served by rural route in that district asking whether or not they are in favour of a proposed frequency reduction.

(b) Yes, it is understood that such phraseology was used in Mr. Lambourn's letters. It may be explained however, that action to reduce rural route frequency has almost invariably been instigated by the rural route contractors concerned—who themselves use that phraseology when requesting consideration for a frequency reduction.

3. (a) As indicated in the foregoing actions to initiate rural route frequency reductions had almost entirely been as a result of requests for that action by the rural route contractors concerned. It might be noted in that context that when rural route frequency is reduced from six to five trips per week, payments made to the contractors are not reduced at *pro rata* (16.6 per cent) but, recognizing that the same amount of mail will be handled over the week, payments are reduced only to the extent of the costs (gasoline, etc. relating to vehicle operation) which will not be incurred by the contractor as a result of the frequency reduction. In no case has a payment reduction exceeded 10 per cent—with the average being much less—when the frequency has been reduced.

(b) As far as possible efforts are made to dissuade a rural route contractor who requests a frequency reduction when it is apparent that the rural route in question is in an area where newspaper delivery is made through the mails. However, if the contractor persists, if more than two-thirds of the affected residents agree to the reduction, and if the local member of parliament endorses the reduction then it is possible that subscribers to some publications will receive delivery on a five day per week instead of a six day per week frequency.

4. Canada Post has no policy at this time to eliminate Saturday delivery except, as noted, where the rural route contractor has requested it, where more than two-thirds of the persons affected indicate that they are in favour, and where the local member of parliament has endorsed that action.

Canada Post has received some representations and enquiries on the status of rural route service from members of parliament.

UNEMPLOYMENT INSURANCE ACT

Question No. 36—**Mr. Cossitt:**

Is a person required, under the Unemployment Insurance Act, to still be available for work during a benefit period when they suffer a death in the family that requires approximately three days for burial, etc. and, if so, will the

government consider amending the act to permit persons on unemployment insurance benefits, three days special absence that will not be counted against them insofar as any declaration about being available for work?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): The requirement of being available for work implies that a claimant must be willing, able and ready to accept immediately any offer of suitable employment. Normally, if a claimant's statement shows that for personal reasons he/she would be prevented from accepting immediate employment, he or she is considered as not available for work in accordance with section 25(*a*) of the act. However, availability for work is always to be considered in reference to the particular circumstances of each case. Since each case is considered on its own merits, there is no need to change the legislation.

MEMBERS OF PARLIAMENT—PUBLIC SERVANTS—COMPARATIVE SALARIES

Question No. 56—**Mr. Cossitt:**

1. Are there any public servants receiving higher salaries than members of parliament and, if so (a) how many (b) in each case, what is his/her (i) name (ii) job designation (iii) department (iv) salary (v) length of service?

2. Do those receiving salaries higher than members of parliament work longer hours and carry more responsibility than the elected representatives of the people?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Members of Parliament do not receive salaries; they receive indemnities and allowances.

2. The hours of work required of public servants are generally 37½ hours per week. Many senior public servants, however, regularly work hours far in excess of those required, without remuneration. The question of whether senior public servants carry more responsibility than members of parliament demands a comparison of the relative responsibilities of administrators and legislators. Without such a comparison questions of "more responsibility" become meaningless. Mr. T. N. Beaupré in the Report of the Advisory Committee on Parliamentary Salaries and Expenses published in November, 1970, stated: "The position of the federal parliamentarian is unique and therefore, it cannot be easily compared to apparently similar positions in other political jurisdictions, either in Canada or elsewhere, nor to other occupations in Canada". This conclusion is as true today as when it was written. It is apparent that no meaningful comparison can be made between administrators and legislators since these professions are intrinsically different.

SENIOR CITIZENS

Question No. 61—**Mr. Cossitt:**

1. (a) What ten constituencies have the highest percentage of senior citizens (b) what is the percentage in the constituency of Leeds-Grenville?

2. If the constituency of Leeds-Grenville does not rank in the top ten, where does it rank in percentage of senior citizens in all constituencies?

3. What is the same information as requested in part 1 for the province of Ontario?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports that, according to the latest available data, the 1976 census:

1. (a) The ten constituencies with the highest percentage of senior citizens (persons 65 years of age and over) are in descending order: Victoria, B.C.; Vancouver Centre, B.C.; Langelier, Québec; St. Paul's, Ontario; Winnipeg North Centre, Manitoba; Mount Royal, Québec; Hamilton West, Ontario; Vancouver Quadra, B.C.; Saint Henri/Westmount, Québec; Don Valley West, Ontario.

   (b) The percentage of senior citizens in Leeds-Grenville is 11.9 per cent.

2. Leeds-Grenville ranks forty-sixth in percentage of senior citizens.

3. The ten constituencies with the highest percentage of senior citizens in Ontario in descending order are, St. Paul's, Hamilton West, Don Valley West, Eglinton-Lawrence, Grey Simcoe, Victoria-Haliburton, Parkdale-High Park, Parry Sound-Muskoka, Bruce-Grey, Huron-Bruce.

PRIME MINISTER'S OFFICE

Question No. 74—**Mr. Cossitt:**

1. What is the name and salary level of each person working in the Prime Minister's office who has a salary of $20,000 per annum or more?

2. What is the present total complement of the office?

3. What is the projected number of total staff within the next year?

4. What is the estimated operating expenses for all aspects of the office for the current fiscal year?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1.

Name	Level	Salary Range
Viau, Cécile	AS-6	$28,227 - $31,514
Johnson, Edward	SX-1	$33,600 - $46,200
Coutts, James	DM	$62,900 - $78,300
Horvath, Thérèse	AS-5	$24,273 - $27,070
Wilson, George	SX-1	$33,600 - $46,200
Fox, Marie-Hélène	SX-1	$33,600 - $46,200
Fairbairn, Joyce	SX-1	$33,600 - $46,200
Derrick, Ruth	AS-6	$28,227 - $31,514
Axworthy, Tom	SX-2	$38,300 - $52,100
Schulz, Gisela	AS-2	$17,915 - $20,053
Gossage, Patrick	SX-1	$33,600 - $46,200
Perry, Suzanne	AS-8 (PM-7)	$31,400 - $38,800
Coons, James	AS-4	$20,815 - $23,162
Scharf, Diane	AS-2	$17,915 - $20,053
Burelle, André	AS-8 (PM-7)	$31,400 - $38,800
Moore, Jim	AS-8 (PM-7)	$31,400 - $38,800
Poirier, Hélène	AS-2	$17,915 - $20,053
McDonald, Patrick	SX-1	$33,600 - $46,200
Dillman, Peggy	AS-7	$29,283 - $32,900
Matteau, Lucille	AS-5	$24,273 - $27,070
Fournier, Nicole	AS-4	$20,815 - $23,162
Donaldson, Gaie	IS-2	$18,731 - $20,910
Hanrahan, P.W.M.	IS-4	$24,273 - $27,070

2. Fifty-seven.

3. Several positions to be filled; no details available at this time.

4. Estimates tabled in the House of Commons for 1980-81 reflect a total budget of $3,039,000 and 94 person-years.

IRANIANS IN CANADA

Question No. 94—**Mr. Cossitt:**

1. To the knowledge of the government, how many of the participants in the November 10, 1979 pro-Iranian demonstration in front of the American Embassy in Ottawa, are attending Canadian schools or universities on student visas?

2. How many Iranians, in Canada on student visas, are receiving financial assistance towards their education from the government?

3. How many Iranians, who are not in Canada on student visas, are in Canada on another type of visa?

4. How many Iranians, on a visa, other than a student visa, are receiving financial assistance from the government?

5. Have any Iranians been found to be in Canada illegally?

6. How many Iranians discovered in Canada illegally were receiving financial assistance from the government?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. The Canada Employment and Immigration Department does not know the identity of demonstrators who participated in the demonstration of November 10, 1979, in front of the American Embassy in Ottawa.

2. The Canada Employment and Immigration Department supplies no financial assistance to students in Canada on student visas. Indeed, all students who enter Canada under student visa authorization must be able to prove in advance that they are financially able to pay all costs relating to their education, including fees, tuition and living expenses.

3. As of April 1, 1980, 564 Iranian visitors, not having authorization to study here, were in Canada temporarily. Of this number, 273 had authorization to accept specified temporary employment, while the remaining 291 were merely visiting. There were at that date also 227 Iranians in Canada holding minister's permits and not as visitors.

4. The Canada Employment and Immigration Department is not aware of any Iranians in Canada on any type of visa receiving any financial assistance from the government.

5. Yes.

6. It is possible that some Iranians found to be illegally in Canada might have received financial assistance from the government. However, the Canada Employment and Immigration Department has no way of obtaining this information.

MR. MARK STAROWICZ AND MR. KONSTANTIN GEYVENDOV

Question No. 105—**Mr. Cossitt:**

1. To the knowledge of the government, did CBC producer Mark Starowicz have clandestine meetings with Mr. Konstantin Geyvendov on at least six occasions and, if so, was he charged under a section of the Official Secrets Act for consorting with an agent of a foreign power and/or being associated with such an agent and, if not, for what reason?

2. What is a detailed description of all connections between Mr. Starowicz and Mr. Geyvendov as known by the RCMP and/or the government?

3. Is the government prepared to request from the CBC an explanation as to why Mr. Mark Starowicz continues as a producer of such programs as "Sunday Morning" which falls within the category of public opinion influencing programs?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Solicitor General and the Canadian Broadcasting Corporation as follows: 1. and 2. It is considered that it would not be in the public interest to comment on questions of this nature.

3. The CBC was established as Crown corporation for the purpose of producing and broadcasting, independently of political or commercial interference, programs for a national broadcasting service. Within its terms of reference the corporation has the sole right and responsibility for hiring and work assignments.

USE OF COMCEN FACILITIES

Question No. 109—**Mr. McKenzie:**

1. Are members of parliament entitled to use DOT Telex "Comcen" facilities for the purpose of sending political messages to their constituency and, if so, how many members used such facilities in 1976-77 and what are their names?

2. Since October 1, 1974, did the member for Assiniboia, in the Thirtieth Parliament, use such facilities for political messages or news releases and, if so (a) on how many occasions (b) under whose authority (c) was he billed by DOT or did he offer to pay for its use?

3. Have any members been billed by DOT "Comcen" Telex for use of the facilities and, if so, which members?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The Comcen provides a service to Transport Canada officials and to the office of the minister.

2. In his capacity as a parliamentary secretary, the honourable member for Assiniboia in the Thirtieth Parliament had access, in the normal course, to certain services available through the minister's office, including telex services.

3. Not applicable.

UIC—MATERNITY BENEFITS

Question No. 110—**Mr. Cossitt:**

Will the government introduce an amendment to the Unemployment Insurance Act making it possible for women who adopt children to receive the same pregnancy leave benefits as natural mothers and, if not, for what reason is the present situation being continued?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): This question is currently under review. The Unemployment Insurance Act, at present, does not permit the payment of maternity benefits to adoptive parents.

CANADA COUNCIL GRANTS 1978-79

Question No. 120—**Mr. Cossitt:**

What is a list of all Canada Council grants awarded during the fiscal year 1978-79 and, in each case, what (a) is the name and address of the (i) applicant

(ii) recipient (b) was the amount of the grant (c) is the exact purpose in which the moneys will be used including any specific names or description given to each project?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canada Council as follows: See the supplement to the Canada Council's twenty-second annual report, tabled in the House of Commons on July 2.

RETROACTIVE DRAINAGE GRANTS—EASTERN ONTARIO

Question No. 123—**Mr. Cossitt:**

With reference to the Eastern Ontario Subsidiary Agreement signed December 20, 1979, is the government prepared to give immediate consideration to make retroactive drainage grants for projects already under way in the area in question prior to the signing of the agreement and (a) if so, is this soon to be made known (b) if not, for what reason?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The response for the Department of Regional Economic Expansion is as follows: on April 3, 1980, the Ontario minister of agriculture and food announced that his ministry would provide assistance to eastern Ontario municipalities that had incurred costs resulting from the construction of outlet drains on which work commenced following the termination of the former ARDA program on March 31, 1979, and prior to the signing of the Canada-Ontario Eastern Ontario Subsidiary Agreement on December 20, 1979. It is anticipated that this offer of assistance will be fully subscribed by qualified municipalities.

As a result of this action being taken by the province, the federal government is no longer considering a retroactivity provision under the eastern Ontario agreement.

EMIGRATION OF NURSES

Question No. 129—**Mr. Cossitt:**

1. In each of the past five years, how many registered nurses and registered nurses' assistants have emigrated?

2. Does such emigration concern the Department of National Health and Welfare and, if so (a) what action does it plan to take to assure that the situation changes (b) have provincial departments of health been consulted?

3. Are steps being taken to provide incentives to registered nurses and registered nurses' assistants to stay in Canada and, if so, what are the details?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. For registered nurses, data are available only from the United States department of justice, immigration and naturalization. There is a delay of two to three years in reporting. The number admitted from Canada to permanent status was:

1975	327
1976	291
1977	533

For the first three-quarters of 1978, the figure is 399, which is almost the same as during the same period of 1977. There are no emigration data on registered nurses' assistants.

2. No official expression of concern has been received from the provincial governments who have primary responsibility for the delivery of health care in Canada. There is no evidence of an over-all shortage of registered nurses or registered nurses' assistants, although there may be some regional and local shortages from time to time. Recent graduates in nursing may be attracted to the United States if they find that Canadian hospitals in urban areas have a full complement of nursing staff.

(a) No particular action by the department is contemplated at this time.

(b) Consultations and data exchange take place on a continuing basis as required with provincial departments of health. The federal-provincial advisory committee on health manpower meets twice yearly.

3. Steps to provide incentives to nurses to stay in Canada are primarily the responsibility of the provinces. No special action by the federal government is considered necessary at this time.

RCMP—INVESTIGATION INTO THE ACTIVITIES OF PROFESSOR HAMBLETON

Question No. 133—**Mr. Cossitt:**

1. With reference to the answer to a question by the hon. member for Leeds-Grenville on November 12, 1979 at page 1183 of *Hansard*, what are the complete results of the RCMP investigation into the activities of Professor G. Hambleton of Laval University?

2. Was the home of Mrs. G. Hambleton, 59 Ruskin Avenue, Ottawa, Ontario entered and searched by the RCMP and, if so (a) what articles were removed from the premises (b) what was the date of the search (c) what is the name of the highest ranking person who ordered the search?

3. To the knowledge of the government, what contacts did Professor Hambleton have with Miss Lijana Galeva and (a) what was the purpose of the contacts (b) is Miss Galeva now living in Yugoslavia (c) did she ever pay any money to Professor Hambleton and, if so, for what purpose?

4. Was Professor Hambleton at one time a member of the Canadian intelligence corps in Germany during 1945-46 and, if so, what were his specific duties?

5. Did Professor Hambleton have any connections with security matters in Canada or with NATO countries as known by the RCMP and, if so, what were they?

6. Was his home in Montreal raided on or about November 4, 1979, and, if so (a) what was the purpose (b) what was seized, etc?

7. Did the RCMP examine his bank accounts and, if so (a) on what dates (b) what are the names of the banks (c) were any items seized or examined including specific cheques payable to him and, if so, what was the amount of each cheque and the name and address of the issuing party?

8. Was Professor Hambleton ever connected with the National Film Board and, if so, what were his duties?

9. To the knowledge of the government, was Professor Hambleton an economic adviser to the government of Peru and Haiti or any other countries and did the RCMP investigate or have investigated by others, anything connected with such activities?

10. Did Professor Hambleton engage in missions to Brussels and Berlin and, if so, what was the nature of such missions and what are all the details of any government connection with such missions?

11. Was the investigation of Professor Hambleton completed by the RCMP and, if so, will charges be laid and, if not, what details led to such a decision?

12. Is the government aware that Professor Hambleton stated to the Ottawa *Journal* that he had been a communist agent for approximately 30 years and, if so, what action does the government plan to take?

Hon. Bob Kaplan (Solicitor General): 1. It is not considered to be in the public interest to reveal the details of the RCMP investigation into the activities of Hugh George Hambleton.

2—10. See answer to part 1.

11. The results of the investigation were provided to the Department of Justice. The Attorney General of Canada on April 25, 1980 ruled that there would be no prosecution of Mr. Hambleton.

12. See answer to part 11.

STUDENT EXCHANGE AND OPEN HOUSE CANADA PROGRAMS

Question No. 154—**Mr. Cossitt:**

1. What is a list of all grants made under the Student Exchange Program since October 31, 1972 up to the time the program was phased out, to the constituency of Leeds and what was the total of all funds granted under the program?

2. What is a list of all grants made under the Open House Canada Program since its inception and up to the date that this question is answered, to the former constituency of Leeds and the present constituency of Leeds-Grenville and what was the total amount granted under the program?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Department of the Secretary of State:

1. The travel and exchange grants program operated from April, 1967, to March 31, 1976. Records of grants made under that program are no longer available within the department.

2.

Fiscal Year	Amount
1977-78	None
1978-79	
Thousand Islands Secondary School Brockville, Ontario	$ 16,411
Ms. Pamela Bouchard (Individual) 21 Salisbury Avenue Brockville, Ontario	379
Lyn Tincap School Complex Lyn, Ontario.	11,385
Rideau District High School Elgin, Ontario	18,963
Smith Falls District Collegiate Smith Falls, Ontario	6,354
1979-80	
South Grenville District H.S. Prescott, Ontario	$ 12,266
North Grenville District H.S. Kemptville, Ontario	15,985
Thousand Islands Secondary School Brockville, Ontario	7,571
Smith Falls District Collegiate Smiths Falls, Ontario	11,142
Gananoque Secondary School Gananoque, Ontario	7,914
Total	108,371

DREE—MATAPÉDIA-MATANE

Question No. 157—**Mr. Cossitt:**

1. Did the Minister of Regional Economic Expansion announce a DREE grant for the constituency of Matapédia—Matane after becoming minister and, if so (a) how many days after he was appointed minister was the announcement made and on what date (b) what was the amount?

2. How many other grants have been announced or are under consideration for the constituency?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

1. (a) On March 10, 1980, seven days after his appointment, the Minister of Regional Economic Expansion announced the offer of a grant to Pic-Bois Inc., an offer accepted by the company on February 11, 1980.

(b) $84,200.

2. Six projects were under consideration.

CHIP

Question No. 159—**Mr. Cossitt:**

1. Does the CHIP application state that the grant only covers one-third of the labour costs of installing insulation if the work is done by a contractor and, if not, does the government plan to issue new applications stating that the grant will only cover work done by contractors?

2. Will the CHIP grant be paid for labour costs incurred by individuals not considered contractors and, if not, for what reason?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing as follows:

1. This information is not in the present application form nor is it included in the revised version. However, this information will be provided in the related brochure.

2. CHIP grants will be paid for the labour costs charged by individuals as well as contractors, providing the invoice clearly indicates the name of the installer, his address, telephone number, details of work done, date work done, and amount received for work done.

USE OF DND AIRCRAFT—REGULATIONS

Question No. 169—**Mr. Cossitt:**

1. (a) What regulations are in existence in regard to the use of Department of National Defence aircraft by cabinet ministers or members of parliament (b) who is the highest individual, in each case, who must authorize its use?

2. Did the former minister of national defence issue restrictive regulations for use of departmental aircraft by cabinet ministers and members of parliament between May 22, 1979, and February 18, 1980, and, if so (a) what were the restrictions (b) are they still in force and, if not, on what date were they changed and what changes were made?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

1. (a) Travel on DND aircraft by cabinet ministers and members of parliament is controlled by the Minister of National Defence.

(b) In each case, travel by cabinet ministers or members of parliament requires authorization by the Minister of National Defence.

2. Yes.

(a) The former minister of national defence issued guidelines on travel by parliamentarians on DND aircraft. A copy of the guidelines issued August 24, 1979, is listed below.

(b) Guidelines issued 24 Aug. 79 remain in force.

August 24, 1979

To: All senators and
All members of parliament

From: The Hon. Allan McKinnon, Minister of National Defence and Minister of Veterans Affairs

Parliamentarian travel—DND aircraft

In keeping with the government's restraint programs and because of the many demands being placed on DND aircraft, it has been necessary to establish some guidelines concerning the use of the aircraft so as to ensure that these facilities will remain responsive to the department's needs and that maximum cost effectiveness will be maintained.

With spiralling energy costs and other constraints I have initiated some reduction in flying schedules and more restrictive travel priorities. Consistent with this, guidelines for parliamentarian travel on DND aircraft are as follows:

For international travel

(a) When members are required to travel abroad and wish to use DND facilities, requests should be made by letter to the minister advising as to the purpose of the journey including dates and place of the requirement. Travel requests normally should be made twenty-one days prior to the desired travel time.

(b) Parliamentarians and accompanying spouse may request travel for personal reasons, once only per year on these flights, and booking of space would be required twenty-one days in advance. This privilege, however, cannot be extended to families.

For travel within Canada

(a) Except in special or unforeseen circumstances, it is expected that parliamentarians normally will travel by commercial airlines on domestic flights.

(b) Dependant children within Canada may be authorized to travel on DND aircraft between the member's constituency, the family member's place of study and Ottawa, subject to there being unbooked space to accommodate the request, twenty-one days in advance of flight time. These requests should not exceed two or three per year and it is expected that the occasions will likely be at Christmas, Easter and at the start and finish of the summer recess.

Arrangements have been made within my department to reduce air travel drastically and I ask for your understanding and co-operation to ensure the best use of available flight space.

Yours sincerely,
Allan McKinnon

SOLICITOR GENERAL'S OFFICE—PERSONS EMPLOYED WITH THE PACIFIC CENTRE REGIONAL HEADQUARTERS

Question No. 171—**Mr. Friesen:**

1. How many persons are employed with the Pacific Centre Regional Headquarters of the office of the Solicitor General in the categories of (a) administration personnel, clerks, secretaries and others under the direction of the Regional Director, Operational Services (b) administration personnel, clerks, counsellors, secretaries, and others under the direction of the Regional Director of (i) Personnel (ii) Parole (c) administration personnel, counsellors, clerks, secretaries, medical personnel and others under the direction of the Deputy Regional Director Health Care Services (d) administration personnel, clerks, secretaries, research officers and others under the direction of the Regional Research and Development Co-ordination?

2. What is the total annual payroll and operating costs for the (a) Operational Services (b) Personnel (c) Health Care Services (d) Parole (e) Regional Research and Development Coordination branches under the authority of the Pacific Centre Regional Director?

Hon. Bob Kaplan (Solicitor General): As a result of the amalgamation of the Canadian Penitentiary Service and the National Parole Service and of re-organization, the position titles have changed. The new titles are reflected in the following answer with the old titles in parenthesis:

1. As of March 31, 1980

(a) Regional Manager, Technical Services
(Regional Director, Operational Services)

Administration Personnel—9

Secretaries—2

Clerks—7

Others—6

(b) (i) Regional Manager, Personnel
(Regional Director of Personnel)

Administration Personnel—15

Counsellors—Nil

Clerks—19

Secretaries—1

Others—Nil

(ii) Regional Manager, Offender Programs
(Regional Director of Parole)

Administration Personnel—9

Counsellors—Nil

Clerks—1

Secretaries—3

Others—Nil

(c) Regional Manager, Health Care Services (Regional Director, Health Care Services)

Administration Personnel—3

Counsellors—Nil

Clerks—Nil

Secretaries—Nil

Medical Personnel—Nil

Others—Nil

(d) Regional Research and Development Co-ordination Nil

2. Fiscal Year 1979/80

(a) Technical Services (Operational Services)

Annual payroll: $532,232

Operating cost: $77,408

(b) Personnel Services

Annual payroll: $536,098

Operating cost: $661,241

(c) Health Care Services

Annual payroll: $92,713

Operating cost: $23,214

(d) Offender Programs (Parole Services)

Annual payroll: $390,211

Operating cost: $2,093,790

(e) Regional Research and Development Co-ordination Not applicable

DATA TAXATION CENTRE—SURREY, B.C.

Question No. 174—**Mr. Friesen:**

1. What was the total estimated cost of the installation of the Surrey Taxation Data Centre?

2. (a) How many bids were received to build the centre (b) who submitted them and, in each case, what was the estimate?

3. Who was awarded the contract and what was the amount of the bid they submitted?

4. What amount was spent up to October, 1979, on landscaping for the Surrey data centre and what is a breakdown of such costs?

5. If further landscaping is to be done, what does it involve and what is the estimated cost of such work?

6. What was the total estimated cost at the time of the original decision to establish a data centre in Surrey?

7. What is the present estimated cost per square foot or metre of the completed building?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. $17,440,450—total estimated cost. (Actual expenditures plus outstanding commitments)

2. (a) Twenty-four bids were received for the four phases of this project.

(b) See attached list below.

3. In all cases the contract was awarded to the lowest bidder at the tendered amount.

Phase I	
Delta Aggregates Ltd.	$ 197,394.00
Phase II	
Poole Construction Ltd.	$12,680,167.00
Phase III	
Envirotectural Services Ltd.	$ 244,000.00
Phase IV	
Westport Mfg. Co. Ltd.	$ 53,657.00

4. The amount actually spent on landscaping up to October 31, 1979 was $244,870.40 made up as follows:

Soils	$ 20,000.00
Plants	94,000.00
Bark mulch	15,000.00
Planters	4,300.00
Fences	37,000.00
Seeding	35,000.00
K-120 fountain head	6,000.00
Change orders	15,870.40
Maintenance	5,000.00
Miscellaneous	12,700.00
	$244,870.40

Change Orders of $15,870.40 are as follows:	
Additional seeding	$ 1,835.00
Improved site drainage	2,228.00
Changes in design to clarify specifications and react to changing site situation (e.g.) Relocation of plants, top soil for firelane, fire retardant topping for planters	4,712.40
Landscaping re external fine arts structure	7,095.00
	$15,870.40

5. No further landscaping is to be done. There will be an expenditure of $15,000.00 between October 31, 1979, and August 17, 1980, for first year maintenance of the grounds which was included in the original contract amount.

6. $18,554,000.00.—Original Treasury Board approved this amount on October 18, 1976.

7. $73.17 per square foot including the cost of land, consultant fees and all construction.

Bidders and tendered amounts:

Phase I—Site Development Contract

Bidders	Tendered Amount
Delta Aggregates Ltd. Delta, B.C.	$ 197,394.00
Johnson's Trucking Western Ltd. Port Coquitlam, B.C.	199,500.00
Dawson and Hall Ltd. Vancouver, B.C.	219,750.00
Sonora Construction Ltd. Coquitlam, B.C.	244,444.00

Miller Cartage & Contracting Ltd. Richmond, B.C.	265,000.00
Goodbrand Construction Ltd. Langley, B.C.	275,489.00
Unger Construction Co. Ltd. Delta, B.C.	282,388.00
Border Sand & Gravel Ltd. Surrey, B.C.	291,240.00
B & B Trucking Ltd. Surrey, B.C.	299,600.00
United Contractors Ltd. Vancouver, B.C.	320,000.00

Phase II—Main Contract

Bidders	Tendered Amount
Poole Construction Ltd. Richmond, B.C.	$12,680,167.00
Cana Construction Co. Ltd. Richmond, B.C.	13,080,000.00
Dillingham Corporation Canada Ltd. North Vancouver, B.C.	13,392,000.00
Northern Construction Co. Division of Morrison-Kudson Co., Inc. Vancouver, B.C.	13,690,500.00
Commonwealth Construction Co. Ltd Vancouver, B.C.	13,980,228.00

Phase III—Landscaping Contract

Bidders	Tendered Amount
Envirotectural Services Ltd. Vancouver, B.C.	$ 244,000.00
Jackway Landscaping Ltd. Burnaby, B.C.	255,816.00
Holland Landscapers Ltd. Burnaby, B.C.	262,000.00
Johnson Landscaping Ltd. Burnaby, B.C.	276,117.00

Phase IV—Space Division Panels Contract

Bidders	Tendered Amount
Westport Mfg. Co. Ltd Vancouver, B.C.	$ 53,657.00
Benton & Overbury Ltd. Vancouver, B.C.	54,000.00
Commercial Drapery Installations Ltd. Vancouver, B.C.	54,200.00
John Bowron & Co. Ltd. Vancouver, B.C.	57,464.50
Korble Painters Ltd. Burnaby, B.C.	69,765.00

NATIONAL FILM BOARD GRANTS

Question No. 178—**Mr. Friesen:**

1. Has the National Film Board produced any film strips or any other material regarding (a) the work of museum/gallery conservators (b) conservation techniques (c) the illustration of major and minor deterioration of works on (i) paper (ii) wood (iii) stone (iv) metal (v) other manmade materials (d) cleaning processes (e) identification of problems (f) arresting techniques (g) problems caused by Canadian climate and particular to Canada which could be used by local and regional museums or galleries to help them make better use of actual visits by conservation experts and, if so, what is a description of each and on what date was it completed?

2. Are there plans to produce items of this nature in the immediate future and, if not, for what reason?

3. Has any section of the department of the Secretary of State commissioned written pamphlets, books or any other type of written documentation on any of the above mentioned subjects and, if so, what are the titles and description of each and on what dates were they published?

4. Has any section of the department awarded grants for the production of materials as outlined in part three above and, if so, what are the titles, authors, description of each item and the date of publication?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Department of the Secretary of State: 1 and 2. To be answered elsewhere. 3 and 4. No.

National Film Board

1. The multi-media studio of the National Film Board prepared some time ago—nearly ten years—an 80-frame sound slide presentation entitled "Behind the Scenes in the Archives" for the internal use of the National Archives. It shows old paintings, books, etc., being restored, cleaned and preserved. The board has not produced any further filmstrips or material since that time.

2. There are no plans to produce items of this nature in the immediate future. The NFB would be prepared to do so if commissioned by the National Museums of Canada or the Public Archives of Canada.

3 and 4. To be answered elsewhere.

National Museums

1 and 2. To be answered elsewhere.

3. The Canadian Conservation Institute, a program of the National Museums Corporation, produces a series of technical bulletins which deal with some of the problems mentioned in the question. To date, the following technical bulletins have appeared:

Technical bulletin 1.	Relative humidity: its importance, measurement and control in museums. May, 1978.
Technical bulletin 2.	Museum lighting. May, 1978.
Technical bulletin 3.	Recommended environmental monitors for museums, archives and art galleries. July, 1978.
Technical bulletin 4.	Care of musical instruments in canadian collections. December, 1978.
Technical bulletin 5.	Environmental norms for Canadian museums, art galleries and archives. November, 1979.
Technical bulletin 6.	The case of black and white photographic collections: identification processes. November, 1979.
Technical bulletin 7.	Fluorescent lamps. January, 1980.
Technical bulletin 8.	The care of wooden objects. April, 1980.

The technical bulletins are available free of charge in both French and English. It is intended to continue this series with subjects of interest to the museum/gallery conservator.

In addition to the above, conservators and conservation scientists from C.C.I. publish the results of their work in the conservation/museum literature.

4. The museum assistance program of the National Museums of Canada awarded a grant of $25,000 in 1978/79 to the University of British Columbia Museum of Anthropology in Vancouver under the special activities assistance program for a study of the current practices, problems and possible solutions in the conservation, storage and display of textiles in museums. Title, author and date of publication are not yet established.

CBC REVENUES AND DEFICITS—1977-78

Question No. 196—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canadian Broadcasting Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write off?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

		In thousands of dollars	
		1976/77	1977/78
1.	Total income (mostly commercial revenue)	98,844	96,035
	See note below.		
2.	(a) Payment provided through parliamentary appropriations for capital and operating purposes	414,978*	464,829**

(b) None.

(c) The Government of Canada makes no direct investment in the corporation apart from funds provided for operating and capital expenditures.

NOTE: The CBC's estimates are voted by parliament and reviewed in committee. CBC does not spend more than the combined total of what has been voted by parliament and the corporation's commercial revenues. It does not incur deficits.

* The 1976/77 fiscal year includes the 1976 Summer Olympics.

**The 1977/78 fiscal year includes the wind-up costs for the 1976 Summer Olympics and the cost of the 1978 Commonwealth Games.

CANADIAN NATIONAL RAILWAYS—REVENUE—DEFICITS

Question No. 201—**Mr. Herbert:**

1. For each fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits for the Canadian National Railways?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows:

		(a) 1977	(b) 1978
1.	Total revenues	$2,622,568,769	$2,900,166,520
	Net income	28,018,317	136,105,251
2.	(a)		
	Payments under the Railway Act	240,621,101	238,045,474
	Maritime Freight Rates Act (including Atlantic Region Freight Assistance Act)	14,165,810	16,265,307
	Subsidized vessel operations	94,539,830	95,257,702
	Grants for capital and operating expenditures for rehabilitation of certain prairie branch lines billed to the government	4,898,735	53,922,765
	Estimated value of grain cars owned by the Government of Canada and assigned to Canadian National	33,400,000	1,500,000
	(b)		
	1977 Net increase in loans	48,825,619	
	1978 Decrease in loans		31,875,817
	(c)		
	1977, additional shares of 4 per cent preferred stock sold to the government	$51,448,697	

In 1977, the nature of the government's investment in CN changed as a result of the recapitalization whereby $808.0 million of debt was converted to an equivalent amount of equity. Also, in 1978, the government's investment in CN was reduced by $49,477,000 as a result of taking over CN's investment in Air Canada.

In 1977 and 1978 the value of the government's investment in CN was enhanced by earnings generated and retained in those years, being in the respective amounts $28,018,317 and $108,884,201. CN also paid the government a dividend of $27,221,050 in respect of earnings in 1978.

FEED GRAINS

Question No. 209—**Mr. Herbert:**

Since August 1974, by year, what were the comparative volumes in bushels for each of the feed grains handled by the (a) open market (b) Canadian Wheat Board?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): (a) In so far as Agriculture Canada is concerned:

Producer Deliveries of Non-Board Feed Grains at Primary Elevators

	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	(,000's of bushels)					(June 30/80)
Wheat	13,393	5,649	12,873	22,763	33,341	8,436
Oats	16,542	20,979	20,516	24,043	19,141	13,636
Barley	42,248	55,372	40,080	63,975	85,962	45,884
Total	72,183	82,000	73,469	110,781	138,444	67,956

(b) The Canadian Wheat Board reports that sales of wheat board wheat, oats and barley into the domestic feed grain market were as follows:

	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	(,000's of bushels)					(June 30/80)
Wheat	15,406	9,103	9,397	2,963	3,332	3,974
Oats	15,269	5,998	5,962	4,390	1,741	1,643
Barley	12,903	7,424	9,265	10,403	1,306	342
Total	43,578	22,525	24,624	17,756	6,379	5,959

Canadian Wheat Board sales into export markets of those grades** of wheat, oats, and barley qualifying as feed grades were as follows:

	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	(,000's of bushels)					(June 30/80)
Wheat	127,320	214,292	91,070	137,796	157,635	148,482
Oats	991	17,522	28,542	4,455	571	6,244
Barley	118,814	183,125	156,797	137,833	149,141	155,130
Total	247,125	414,939	276,409	280,084	307,347	309,856

**NOTE—Grades normally qualifying for sale as feed are:

—wheat: No. 3 Canada Western Red Spring
No. 1 Canada utility
No. 2 Canada utility
No. 3 Canada utility
Nos. 4 and 5 Canada Western Amber Durum

—oats: No. 1 Feed and No. 2 Feed

—barley: No. 1 Feed and No. 2 Feed

PROMOTION OF CANADIAN GOODS IN SPORTS

Question No. 228—**Mr. Herbert:**

1. What percentage of sporting goods used in Canada are processed and manufactured in Canada?

2. What steps is the government taking to promote and encourage the manufacture and use of Canadian goods in Canadian sports?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Industry, Trade and Commerce as follows: 1. 54 per cent of sporting goods are manufactured in Canada.

2. The government, through the Department of Industry, Trade and Commerce has financially assisted many Canadian sporting goods companies with grants, loans and loan guarantees. Product development and restructuring grants to improve competitiveness have been made to manufacturers of hockey sticks, ice skates, cross country skis and ski boots. Loan guarantees and direct loans have also been made to a number of other companies manufacturing these products.

In addition, the Department of Regional Economic Expansion through its Regional Development Incentive Program (RDIA) has financially assisted the establishment and expansion of over 15 firms manufacturing sporting goods.

This government assistance has contributed in establishing Canadian manufacturers as world leaders in the manufacture of hockey sticks, skates and protective equipment and as major cross country ski suppliers to the North American market.

Tariff reductions in materials and parts have also encouraged increased manufacturing of sporting goods in Canada.

DOME PETROLEUM INCENTIVES—FRONTIER INCENTIVES

Question No. 263—**Mr. Herbert:**

1. Did Dome Petroleum Ltd. make representations to the government concerning frontier incentives and, if so, was there a response?

2. Is the government proceeding to inventory and evaluate the northern resources and, if so, what are the results to date and when can a full report be expected?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Energy, Mines and Resources is concerned: 1. Prior to the expiration of the frontier exploration allowance on April 1, 1980, the government received a number of representations from Dome Petroleum and other companies concerning such incentives. On April 8, 1980, the Minister of Energy, Mines and Resources and the Minister of Finance announced that the incentive would be replaced by a program currently being developed, in part as a public response to a number of representations being received.

In so far as the Department of Finance is concerned: 1. Yes, on a number of occasions. The company's proposal were acknowledged and considered. The company was informed on April 8, 1980 that the tax incentive which expired on March 31, 1980 would be replaced with a new incentive program. The new program is currently being developed.

In so far as the Department of Indian Affairs and Northern Development is concerned: 1. Yes, Dome Petroleum Ltd. has made representations to the Minister of Indian Affairs and Northern Development seeking support for the continuation of frontier incentives. The government's response in the form of a new incentives program, has been announced by the Ministers of Energy, Mines and Resources and Finance.

2. Yes. The Northern Non-Renewable Resources base is continuously being inventoried and evaluated as a part of the ongoing departmental responsibilities. Consequently, estimates

of the character and extent of the oil, gas and mineral resources are made available in a number of periodical publications and reports.

The chief publications relating to non-renewable resources are:

North of 60°, Oil and Gas Monthly Activities report

North of 60°, Oil and Gas Activities (annual)

North of 60°, Oil and Gas Technical Reports (periodic)

North of 60°, Oil and Gas Schedule of Wells (periodic)

North of 60°, Statistical Report (periodic)

North of 60°, Mines and Minerals Activities Report (annual)

North of 60°, Mineral Industry Reports (annual)

Northern Renewable Resources

The following is a listing of resources inventory programs and reports:

(1) Northern land use information series mapping project.

(2) Renewable resource inventory and analysis program in the Yukon through the Canada/Yukon Subsidiary Agreement to the Canada/Yukon General Development Agreement.

(3) Soil survey and agricultural land evaluation of selected areas in the Yukon and Northwest Territories.

(4) Forest inventories of selected areas in the Yukon and Northwest Territories.

(5) Eastern Arctic marine environmental studies.

(6) Canada, Department of Northern Affairs and National Resources, Yukon River basin report, December, 1962.

(7) Canada, Department of Northern Affairs and National Resources, hydroelectric power resources of the Porcupine, Peel and Rat River Region, Yukon and Northwest Territories, April, 1965.

(8) T. Ingledow and Associates Ltd., consulting engineers, hydroelectric resources survey of the central Yukon Territory, January, 1968.

(9) T. Ingledow and Associates Ltd., power survey of the central Mackenzie district, N.W.T., January, 1969.

(10) T. Ingledow and Associates Ltd., power survey of the Liard River basin, Yukon and N.W.T., February, 1970.

(11) T. Ingledow and Associates Ltd., power survey of the Kazen, Dubawnt, Thelon and Hanbury River basins, N.W.T., March, 1970.

(12) Gepac Consultants Ltd., Yukon and Northwest Territories power survey, pre-reconnaissance study, September 1971.

(13) Underwood, McLellan (1977) Ltd., power site survey Northwest Territories for the Burnside, Hood, Camsell, Back and Hayes Rivers, March, 1979.

(14) Water Quality and Stream Flow Data Collection

These are ongoing inventory programs which have been underway for several years. Reports are available from the water resoures division of the department in Hull and from the Water Survey of Canada in Hull.

WIDE FLANGE STEEL BEAMS

Question No. 264—**Mr. Herbert:**

1. What is the present proportion of the imported supply of wide flange steel beams as a percentage of total Canadian production?

2. Did the Anti-Dumping Tribunal make a ruling in December 1977 on a complaint concerning wide flange steel beams and, if so, what was the effect of the ruling as it applies to imports, domestic production and the adequacy of supply?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Finance and Statistics Canada as follows: 1. There is only one Canadian manufacturer of wide flange steel beams. Because Statistics Canada publishes figures on the volume of imports of these products, it is not possible to express the volume as a percentage of total Canadian production without revealing that manufacturer's output. The latter information is confidential. Imports of wide flange steel beams in calendar year 1979 amounted to 149,853 (short) tons for a value of $55,476,000.

2. On December 29, 1977 the Anti-Dumping Tribunal issued a finding to the effect that dumped imports of wide flange steel shapes originating in the United Kingdom, France, Japan, South Africa, Belgium and Luxembourg had caused, were causing and were likely to cause material injury to production in Canada of like goods. That finding, which is still in force, contributed to a general improvement in the conditions affecting our domestic production of wide flange steel beams. The hon. member may recall that in this instance anti-dumping duties on imports into certain regions of Canada were remitted for a limited period following the finding. Since then domestic production of wide flange steel has increased, as have imports although more recently there has been a softening in demand.

HEALTH CARE—DRUGS

Question No. 315—**Mr. Herbert:**

What is the estimated percentage of the total national health care bill that is spent on drugs?

Hon. Monique Bégin (Minister of National Health and Welfare): The estimated percentage of the total national health bill that was spent on drugs in 1976 was 10.5. The year 1976 is the latest for which figures are available.

The estimated data for drugs included in that percentage represent all drugs dispensed in hospitals and all drugs, prescribed and non-prescribed, sold in retail stores. The total national health bill used in the calculation is provisional. The numerator in the calculation was an estimated $1,404,112,000 of drug costs, and the denominator was an estimated $13,361,-810,000 of total health costs. A wide variety of sources was used in the calculation; Statistics Canada and the Canadian Pharmaceutical Association were the principal sources for the

drug figure, while the total was based on scores of sources. Both figures are constantly being revised as later information becomes available.

PHARMACEUTICAL PRODUCTS

Question No. 316—**Mr. Herbert:**

In each of the past ten years, what was the foreign trade balance or deficit for pharmaceutical products?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports:

Canada's balance of trade in pharmaceutical products for each of the past ten years was as follows:

Years	Imports	Domestic Exports	Balance
	($,000)	($,000)	(,000)
1970	80,918	35,605	-45,313
1971	81,596	31,489	-50,107
1972	95,578	35,745	-59,833
1973	111,369	47,874	-63,495
1974	146,851	53,385	-93,466
1975	169,947	59,179	-110,768
1976	176,585	60,276	-116,309
1977	224,320	65,166	-159,154
1978	249,648	72,714	-176,934
1979	312,638	80,653	-231,985

ANNUAL PHARMACEUTICAL SALES

Question No. 317—**Mr. Herbert:**

What is the latest estimate of the annual dollar volume of sales of pharmaceuticals in Canada?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: current estimates of retail sales are made by type of store rather than by commodity. Sales for pharmacies, patent medicine and cosmetics stores include many commodities other than pharmaceuticals. Also, pharmaceuticals are sold through other types of stores as well as through outlets which are not retail locations. For these reasons, the question cannot be answered as asked. However, the following information is provided:

(1) Sales of pharmacies, patent medicine and cosmetics stores—1979—$2,398,008,000.

(2) Sales of toileteries, cosmetics and drugs through department stores—1979—$404,454,000.

DONALD MATTHEWS COMMISSION

Question No. 345—**Mr. Herbert:**

1. Who were the members of the Donald Matthews Commission and were other persons hired to assist in the preparation of the Matthews Report?

2. What amount did each individual receive as (a) remuneration (b) expenses?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: 1. The members and staff of the task force on Canada Mortgage and Housing Corporation, chaired by D. J. Matthews, were as follows:

Task Force Members	Research Staff	Chairman's Advisory Committee
Martin H. Abrams	Gordon W. Davies	Patrick E. Brady
Robert T. Adamson	Robert J. Hobart	Mac D. Campbell
Allan J. Darling	Boyden E. Lee	Gordon W. Davies
Gordon W. Davies	W. Jack Scheu	Michael A. Goldberg
Raymond V. Hession*	Lynda J. Scott-Moorhouse	G. E. (Ernie) Jackson
Wayne B. Hunter	Thomas S. Sloan	Richard R. Lebeau
Dennis F. Kam	Lawrence B. Smith	Donald J. Matthews
Donald J. Matthews		Phyllis M. Matthews
Norman E. McIntosh		André Pigeon
Werner Schwantje		Donald M. Smith
Lynda J. Scott-Moorhouse		Lawrence B. Smith
Lawrence B. Smith		
Pauline M. Whelan		

*resigned October 17, 1979

2. Fees and expenses paid to persons named in 1, above and to consultants to the task force:

Participant	Fees	Expenses
D. J. Matthews	$11,100.00	$ 6,133.75
Lawrence Smith		2,260.82
G. E. Jackson	600.00	47.75
D. M. Smith	900.00	764.00
André Pigeon	3,414.60	373.93
Michael Goldberg	1,000.00	2,357.88
P. E. Brady Consultants Ltd.	1,550.00	1,069.93
L. J. Scott-Moorhouse		33.55
R. R. Lebeau	1,747.50	334.24
Mac D. Campbell	1,200.00	2,447.00
Thomas S. Sloan	2,000.00	
High Value Consultants Ltd.	8,950.00	
Claude Renaud		384.61

NATIONAL REVENUE—PERSONS IN THE SX CLASSIFICATION

Question No. 373—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of National Revenue (b) how many were (i) francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the department since March 31, 1979 and, if so, what effect did such a change have on the number of SX's employed?

Hon. William Rompkey (Minister of National Revenue):

	Taxation	Customs and Excise
1.	(a) 36	(a) 25
	(b) (i) 6	(b) (i) 3
	(ii) 0	(ii) 0
2.	(a) 36	(a) 24
	(b) (i) 8	(b) (i) 3
	(ii) 0	(ii) 0
3.	No	No

DIPLOMATIC RECOGNITION

Question No. 380—**Mr. Herbert:**

1. Which countries having populations over ten million are not presently diplomatically recognized by Canada?

2. In each case in which trade between Canada and these countries exceeds $10 million annually, what was the value of (a) export to (b) imports from, in 1978?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and Statistics Canada as follows:

1. Taiwan (Formosa)

Democratic Peoples Republic of Korea (North Korea)

2. (a) In 1978, exports to Taiwan amounted to $103,211,-000. Exports to North Korea did not exceed $10 million.

(b) In 1978, imports from Taiwan were $397,186,000. For the same year, imports from North Korea did not exceed $10 million.

PETRO-CANADA

Question No. 397—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Petro-Canada Industries Inc.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows: 1. (a) and (b) Petro-Canada Industries Inc. was a wholly-owned subsidiary of Petro-Canada and its accounts were fully consolidated with those of the parent corporation.

2. (a) to (c) None.

Question No. 398—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of the Petro-Canada Consulting Corporation?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) and (b) Petro-Canada Consulting Corporation is a wholly-owned subsidiary of Petro-Canada and its accounts are fully consolidated with those of the parent company.

2. (a) to (c) None.

Question No. 399—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Petro-Canada Explorations Inc.?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) and (b) Petro-Canada Explorations Inc. is a wholly-owned subsidiary of Petro-Canada and its accounts are fully consolidated with those of the parent corporation.

2. (a) to (c) None.

ACCIDENTAL DEATHS AND SUICIDE

Question No. 436—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Manitoba for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 437—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of British Columbia for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 438—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Alberta for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 439—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the Northwest Territories for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the territories?

Question No. 440—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the Yukon Territory for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the territory?

Question No. 441—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Ontario for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 442—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Quebec for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 443—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Newfoundland for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 444—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of New Brunswick for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 445—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Nova Scotia for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 446—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Saskatchewan for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Question No. 447—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) number of accidental deaths by cause (ii) number of deaths by suicide (iii) percentage rate per 1,000 persons in each case, in the province of Prince Edward Island for status Indians?

2. For the same years, what was the number of (a) accidental deaths by cause (b) deaths by suicide for the rest of the population in the province?

Hon. Monique Bégin (Minister of National Health and Welfare): See tables below for national and provincial figures and rates for accidental deaths by cause. A table giving suicide numbers and rates also follows.

NOTE:—Re accidental deaths by cause: the categories employed by medical services branch and Statistics Canada are not strictly comparable.

—Percentage rate per 1,000 persons means rate per 100,000 persons in the tables below.

—Numbers for suicides among the Canadian population as a whole are not available.

Suicides and Suicide Rates, 1976 — 1978
Indian* and Canadian** Populations

		CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
				(Atlantic)										
1976														
Indian	#	80		(Ø)			2	10	13	21	12	20	N/AV	2
	Rate	28.3		(Ø)			6.5	16.3	31.6	30.8	35.9	37.7	N/AV	27.8
Canadian	Rate	12.8	3.8	19.5	10.4	10.9	10.5	13.0	14.1	14.0	16.8	16.4	18.3	16.4
1977														
Indian	#	118		(1)			4	24	15	28	17	26	(Ø)	3
	Rate	41.7		(9.1)			18.9	36.9	35.0	63.7	49.1	48.3	(Ø)	40.1
Canadian	Rate	14.2	3.7	10.0	111.3	10.5	12.4	14.5	17.5	15.6	18.1	17.5	23.3	27.7
1978														
Indian	#	131		(5)			1	17	13	36	21	36	1	1
	Rate	45.8		(44.8)			5.7	25.6	29.6	79.0	58.9	65.8	31.0	13.2
Canadian	Rate	14.8	2.6	13.1	12.5	13.0	14.2	14.3	15.4	17.3	16.9	18.3	32.3	55.0

* Source: Medical Services Branch — Annual Report
** Source: Statistics Canada — 84-206

Accidental Deaths by Major Cause — 1976
Indian* and Canadian** Populations

Major Cause / Population		CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
				(Atlantic)										
Motor Vehicles														
Indian	#	176		(5)			10	25	20	28	46	40	2	Ø
	Rate	62.3		(46.9)			32.7	40.7	48.6	66.3	137.5	75.4	73.3	Ø
Canadian	Rate	24.8	18.3	27.0	27.4	37.0	34.4	20.1	25.3	34.1	31.5	29.3	59.5	25.8

Major Cause Population		CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
				(Atlantic)										
Drownings														
Indian	#	100		(2)			3	28	25	10	10	15	4	3
	Rate	35.4		(18.8)			9.8	45.6	60.8	59.2	29.9	28.3	146.6	41.6
Canadian	Rate	3.2	5.2	1.7	3.7	6.3	3.5	2.3	3.7	3.9	2.6	3.5	22.9	9.4
Burns														
Indian	#	61		(Ø)			14	15	15	6	2	9	Ø	Ø
	Rate	21.6		(Ø)			45.7	24.4	36.5	35.5	6.0	17.0	Ø	Ø
Canadian	Rate	3.3	6.1	2.5	5.1	4.9	2.6	3.2	4.4	3.6	2.7	3.4	13.7	21.1
Firearms														
Indian	#	58		(1)			1	10	11	13	13	1	1	7
	Rate	20.5		(9.4)			3.3	16.3	26.7	26.0	38.9	1.9	36.6	97.2
Canadian	Rate	0.4	0.5	0.8	1.1	0.1	0.3	0.2	0.7	0.5	1.0	0.2	Ø	7.0
Other														
Indian	#	245		(5)			11	33	37	45	29	70	4	11
	Rate	86.7		(47.0)			35.9	53.7	90.0	87.6	86.7	133.9	146.6	152.7
Canadian	Rate	35.1	17.6	38.2	32.5	31.1	31.3	32.9	36.5	43.0	42.9	47.6	64.2	93.9
Total														
Indian	#	640		(13)			39	111	108	102	100	135	11	21
	Rate	226.6		(122.1)			127.4	180.7	262.5	255.6	299.0	254.6	403.1	291.5
Canadian	Rate	66.8	47.7	70.2	69.8	79.6	62.1	58.7	70.6	85.1	80.7	84.0	160.3	157.2

*Source: Medical Services Branch — Annual Report, 1976
**Source: Statistics Canada: 84-206 and unpublished data

Accidental Deaths by Major Cause — 1977
Indian* and Canadian** Populations

Major Cause Population		CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
				(Atlantic)										
Motor Vehicles														
Indian	#	147		(9)			9	22	8	32	30	37	Ø	Ø
	Rate	51.9		(82.1)			42.5	33.8	18.7	72.8	86.7	68.8	Ø	Ø
Canadian	Rate	24.8	17.4	50.7	24.0	34.4	24.4	19.0	21.0	32.4	35.1	33.2	32.6	39.2
Drownings														
Indian	#	89		(4)			14	18	24	10	2	13	Ø	4
	Rate	31.4		(36.5)			66.0	27.7	56.0	22.8	5.8	24.2	Ø	53.5
Canadian	Rate	2.7	3.2	6.7	2.0	2.8	3.2	2.2	4.1	2.0	1.2	3.3	4.7	13.9
Burns														
Indian	#	75		(1)			4	16	11	15	13	13	Ø	2
	Rate	26.5		(9.1)			18.9	24.6	25.7	34.1	37.6	24.2	Ø	26.7
Canadian	Rate	2.9	2.7	3.3	3.7	6.3	2.2	2.4	6.6	3.5	3.5	3.0	4.7	13.9
Firearms														
Indian	#	71		(4)			2	15	17	12	12	5	1	3
	Rate	25.1		(36.5)			9.4	23.1	39.7	27.3	34.7	9.3	31.3	40.1
Canadian	Rate	0.4	0.7	0.8	0.7	1.5	0.3	0.2	1.1	1.0	0.5	0.4	Ø	4.6
Other														
Indian	#	278		(2)			7	45	34	54	42	85	5	4
	Rate	98.2		(18.3)			33.0	69.2	79.3	122.9	121.3	158.1	156.2	53.5
Canadian	Rate	37.9	19.2	27.4	30.9	31.0	36.9	35.3	42.9	44.6	42.7	49.5	83.5	69.3
Total														
Indian	#	660		(20)			36	116	94	123	99	153	6	13
	Rate	233.1		(182.6)			169.8	178.3	219.3	280.0	286.0	284.5	187.5	173.8
Canadian	Rate	68.7	43.2	88.9	61.3	76.0	67.0	59.1	75.7	83.5	83.0	89.4	125.6	140.9

*Source: Medical Services Branch — Annual Report
**Source: Statistics Canada: 84-206 and unpublished data

Accidental Deaths by Major Cause — 1978
Indian* and Canadian** Populations

Major Cause / Population		CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
				(Atlantic)										
Motor vehicles														
Indian	#	197		(4)			10	18	21	59	47	36	0	2
	Rate	68.9		(35.8)			57.3	27.1	47.8	129.4	131.9	18.5	0	26.3
Canadian	Rate	22.0	12.8	26.2	27.2	32.5	24.1	17.3	19.8	27.1	26.8	25.2	41.5	9.2
Drowning														
Indian	#	80		(3)			10	20	12	7	9	6	0	13
	Rate	28.0		(26.7)			57.3	30.0	27.3	15.4	25.3	11.0	0	171.1
Canadian	Rate	2.8	3.3	9.0	4.8	2.0	3.0	2.2	2.7	3.1	2.5	3.0	0	16.1
Burns														
Indian	#	60		(1)			3	6	9	16	3	21	0	1
	Rate	21.0		(8.9)			17.2	9.0	20.5	35.1	8.4	38.4	0	13.2
Canadian	Rate	3.1	4.2	3.3	4.6	6.0	2.5	2.8	4.3	4.2	3.1	3.4	4.6	6.9
Firearms														
Indian	#	88		(2)			1	17	15	27	24	0	0	1
	Rate	30.8		(17.9)			5.7	25.6	34.2	59.2	67.3	0	0	13.2
Canadian	Rate	0.4	0.5	0	0.6	0.7	0.3	0.3	0.9	0.2	0.7	0.2	0	11.5
Other														
Indian	#	294		(8)			6	33	41	56	47	97	0	4
	Rate	102.9		(71.6)			34.4	49.6	93.4	122.8	131.9	177.2	0	52.6
Canadian	Rate							Not Available						
Total														
Indian	#	719		(18)			30	94	98	163	130	160	0	21
	Rate	251.6		(161.2)			172.0	141.4	223.2	357.5	364.8	292.3	0	276.4
Canadian	Rate	68.5	38.8	76.2	70.5	80.9	68.8	59.1	70.5	79.8	78.5	86.5	129.0	151.4

*Source: Medical Services Branch — Annual Report
**Source: Statistics Canada — 84-206

NUMBER OF VISITS TO DOCTORS AND DENTISTS

Question No. 448—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Manitoba for status Indians?

Question No. 449—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of British Columbia for status Indians?

Question No. 450—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Alberta for status Indians?

Question No. 451—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the Northwest Territories for status Indians?

Question No. 452—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the Yukon Territory for status Indians?

Question No. 453—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Ontario for status Indians?

Question No. 454—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Quebec for status Indians?

Question No. 455—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Newfoundland for status Indians?

Question No. 456—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of New Brunswick for status Indians?

Question No. 457—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Nova Scotia for status Indians?

Question No. 458—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Saskatchewan for status Indians?

Question No. 459—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the number of (i) doctors (ii) dentists visits as compared with the rest of the population in the province of Prince Edward Island for status Indians?

Hon. Monique Bégin (Minister of National Health and Welfare): See chart below for figures on visits to doctors and dentists by Status Indians for the years 1976, 1977 and 1978. These figures are only representative of those visits recorded for status Indians served by medical services branch and contract employees.

Comparable figures for the rest of Canada's population are not available from federal government sources. Saskatchewan is the only province publishing such information.

Number of Doctors and Dentists Visits
Indian and Canadian Populations 1976-1978

	CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
			(Atlantic)										
Doctors Visits													
1976													
Indian*	4664		N/AP**			137	1044	545	640	821	964	86	427
Canadian Population							Not Available						
1977													
Indian*	4308		N/AP**			74	925	685	587	627	874	108	428
Canadian Population							Not Available						
1978													
Indian*	4807		N/AP**			102	991	718	513	1552	385	132	414
Canadian Population							Not Available						
Dentists Visits													
1976													
Indian*	1426		10			23	329	316	103	320	202	30	93
Canadian Population							Not Available						
1977													
Indian*	1333		15			19	285	297	222	180	212	21	82
Canadian Population							Not Available						
1978													
Indian*	1028		11			27	330	251	164	N/AV	162	25	58
Canadian Population							Not Available						

* Visits made by medical services branch and contract employees.
** There are no doctors employed by medical services branch working in the field with status Indians in the Atlantic region.

INFANT MORTALITY RATE—INDIANS

Question No. 460—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Manitoba for status Indian children?

Question No. 461—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of British Columbia for status Indian children?

Question No. 462—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Alberta for status Indian children?

Question No. 463—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the Northwest Territories for status Indian children?

Question No. 464—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the Yukon Territory for status Indian children?

Question No. 465—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Ontario for status Indian children?

Question No. 466—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Quebec for status Indian children?

Question No. 467—Mr. Orlikow:

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Newfoundland for status Indian children?

Question No. 468—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of New Brunswick for status Indian children?

Question No. 469—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Nova Scotia for status Indian children?

Question No. 470—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Saskatchewan for status Indian children?

Question No. 471—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants as compared with the rest of the population in the province of Prince Edward Island for status Indian children?

Hon. Monique Bégin (Minister of National Health and Welfare): See attached table for a statistical breakdown of the (i) death rate under the age of five years (ii) infant mortality rate (iii) number of low birth weight infants.

NOTE:—Though Infant Mortality Rates have been available in other years, age specific death rates for Status Indian children have only been calculated as of 1978.

AGE SPECIFIC DEATH RATES: AGE 0-1 YR* 1-4 YRS** AND LOW BIRTH WEIGHT INFANTS
INDIAN AND CANADIAN POPULATIONS

	CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
				(Atlantic)									
1976													
Indian													
0-1 Death Rate	32.4		23.7			34.9	26.8	30.2	31.2	25.9	40.6	32.8	58.8
1-4 Death Rate						Not available							
No. Low Birth Weight Infants	N/AV		6			6	27	56	96	N/AV	118	0	24
Canadian Population													
0-1 Death Rate	13.5	14.6	14.4	13.8	13.2	13.5	12.3	15.6	14.3	14.2	13.8	22.3	34.7
1-4 Death Rate	0.7	0.4	0.8	0.6	0.7	0.9	0.6	0.9	0.9	0.7	0.8	0	1.8
No. Low Birth Weight Infants	22513	N/AV	102	789	717	6537	7790	1033	975	2326	2120	23	101
1977													
Indian													
0-1 Death Rate	36.8		10.9			34.6	26.9	34.9	39.8	21.2	41.2	47.6	57.6
1-4 Death Rate						Not available							
No. Low Birth Weight Infants	N/AV		2			15	18	73	106	N/AV	124	2	19
Canadian Population													
0-1 Death Rate	12.5	10.3	18.5	11.5	13.4	12.4	11.3	16.6	15.1	11.1	13.5	15.0	29.2
1-4 Death Rate		0.5	0.8	0.6	0.8	0.6	0.5	0.8	1.0	0.7	0.6	1.3	1.9
No. Low Birth Weight Infants	22195	N/AV	120	685	608	6687	7669	942	943	2299	2131	23	88
1978													
Indian													
0-1 Death Rate	26.5		9.8			30.2	24.0	26.6	33.7	19.6	28.3	0	40.2
1-4 Death Rate	3.1		1.2			1.6	1.4	4.3	4.6	2.3	3.7	0	1.4
No. Low Birth Weight Infants	N/AV		3			10.0	31.0	86.0	54.0	N/AV	04.0	3	18.0
Canadian Population													
0-1 Death Rate	12.0	12.2	7.6	11.9	11.8	11.9	11.3	13.7	14.3	11.4	12.7	11.2	23.3
1-4 Death Rate	0.6	0.6	0.5	0.4	0.7	0.7	0.5	0.7	1.1	0.7	0.7	1.9	1.2
No. Low Birth Weight Infants		N/AV	42	361	268	3060	3493	419	415	1038	983	10	45

*Rate per 100 live births
**Rate per 1000 population.

NATIVE ADULT TRAINING

Question No. 472—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programmes for (i) Native people (ii) the rest of the population in the province of Manitoba?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Métis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$ 924,105	$18,737,920
		Industrial (CMITP)	350,797	1,551,136
(b)	1977/78	Institutional (CMTP)	1,208,791	18,899,731
		Industrial (CMITP)	350,800	2,743,551
(c)	1978/79	Institutional (CMTP)*	1,095,782	15,226,569
		Industrial (CMITP)	184,263	2,762,650

*The payment of U.I. benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that U.I. payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 473—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of British Columbia?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$1,854,071	$44,717,277
		Industrial (CMITP)	255,000	8,660,402
(b)	1977/78	Institutional (CMTP)	1,895,043	46,163,700
		Industrial (CMITP)	300,000	10,428,949
(c)	1978/79	Institutional (CMTP)*	1,414,293	41,262,772
		Industrial (CMITP)	67,819	11,425,097

*The payment of U.I. benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that U.I. payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 474—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Alberta?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$3,003,542	$32,746,215
		Industrial (CMITP)	407,329	1,195,671
(b)	1977/78	Institutional (CMTP)	2,955,845	35,911,655
		Industrial (CMITP)	448,060	1,466,179
(c)	1978/79	Institutional (CMTP)*	1,040,525	35,439,033
		Industrial (CMITP)	433,784	2,593,170

*The payment of U.I. benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that U.I. payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 475—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the Northwest Territories?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$1,586,442	$593,170
		Industrial (CMITP)	399,100	38,294
(b)	1977/78	Institutional (CMTP)	1,092,553	366,129
		Industrial (CMITP)	248,900	256,500
(c)	1978/79	Institutional (CMTP)*	161,291	2,192,978
		Industrial (CMITP)	19,194	565,940

*The payment of U.I. benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that U.I. payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 476—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the Yukon Territory?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$1,854,071	$44,717,277
		Industrial (CMITP)	255,000	8,660,402
(b)	1977/78	Institutional (CMTP)	1,895,043	46,163,700
		Industrial (CMITP)	300,000	10,428,949
(c)	1978/79	Institutional (CMTP)*	1,414,293	41,262,772
		Industrial (CMITP)	67,819	11,425,097

*The payment of U.I. benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that U.I. payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 477—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Ontario?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$2,680,470	$124,105,307
		Industrial (CMITP)	286,112	20,367,602
(b)	1977/78	Institutional (CMTP)	3,294,764	122,842,607
		Industrial (CMITP)	314,820	24,655,918
(c)	1978/79	Institutional (CMTP)*	2,898,656	113,899,993
		Industrial (CMITP)	143,315	26,957,102

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 478—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Quebec?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$1,386,227	$128,730,384
		Industrial (CMITP)	86,606	13,724,492
(b)	1977/78	Institutional (CMTP)	2,254,650	130,820,360
		Industrial (CMITP)	163,200	19,576,707
(c)	1978/79	Institutional (CMTP)*	1,198,521	112,911,838
		Industrial (CMITP)	8,957	21,499,008

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 479—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Newfoundland?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): The expression native people includes status Indians, non-status Indians, Metis and Inuit. As the status of Newfoundland native people has not yet been determined in accordance with the Indian Act, they are still considered non-status.

The estimated amounts spent for each year specified are as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$ 69,464	$20,559,218
		Industrial (CMITP)	82,717	1,820,430
(b)	1977/78	Institutional (CMTP)	73,182	20,202,131
		Industrial (CMITP)	101,750	2,128,450
(c)	1978/79	Institutional (CMTP)*	42,967	16,625,151
		Industrial (CMITP)	—	2,897,734

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 480—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of New Brunswick?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$ 145,614	$19,151,103
		Industrial (CMITP)	95,785	3,199,173
(b)	1977/78	Institutional (CMTP)	394,090	16,913,757
		Industrial (CMITP)	11,000	4,293,845
(c)	1978/79	Institutional (CMTP)*	171,625	13,799,441
		Industrial (CMITP)	2,559	4,526,770

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 481—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Nova Scotia?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$ 5,740	$23,152,586
		Industrial (CMITP)	25,621	3,786,502
(b)	1977/78	Institutional (CMTP)	—	22,260,918
		Industrial (CMITP)	30,745	4,982,364
(c)	1978/79	Institutional (CMTP)*	292,717	15,982,091
		Industrial (CMITP)	57,582	5,301,416

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 482—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Saskatchewan?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training

courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$3,363,871	$11,408,411
		Industrial (CMITP)	715,247	1,732,224
(b)	1977/78	Institutional (CMTP)	2,979,190	12,726,400
		Industrial (CMITP)	90,000	3,057,014
(c)	1978/79	Institutional (CMTP)*	2,049,089	12,652,773
		Industrial (CMITP)	362,127	2,927,999

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

Question No. 483—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the province of Prince Edward Island?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Metis and Inuit were not compiled before April 1, 1979. However, information on the amounts spent for training courses purchased for status Indians on reserves is available and is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a)	1976/77	Institutional (CMTP)	$68,042	$5,041,435
		Industrial (CMITP)	34,779	696,216
(b)	1977/78	Institutional (CMTP)	56,874	4,552,771
		Industrial (CMITP)	40,000	1,032,732
(c)	1978/79	Institutional (CMTP)*	10,333	3,777,041
		Industrial (CMITP)	—	960,989

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

STATUS INDIANS—MATERNAL DEATH RATES

Question No. 496—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of British Columbia?

Question No. 497—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Alberta?

Question No. 498—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the Northwest Territories?

Question No. 499—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the Yukon Territory?

Question No. 500—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Ontario?

Question No. 501—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Quebec?

Question No. 502—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Newfoundland?

Question No. 503—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of New Brunswick?

Question No. 504—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Nova Scotia?

Question No. 505—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Saskatchewan?

Question No. 506—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Prince Edward Island?

Question No. 507—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the maternal death rate among status Indians as compared with the rest of the population in the province of Manitoba?

Hon. Monique Bégin (Minister of National Health and Welfare): See table below for provincial and national breakdown of maternal death rates for the Canadian population as a whole. This includes status Indians but there are no separate statistics available on them either from Statistics Canada or medical services branch.

Maternal Death Rates, 1976, 1977, 1978
Indian and Canadian Populations

	CAN	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUK	NWT
			(Atlantic)										
1976													
Indian							Not Available						
Canadian Population	0.7	0.9	0	0	1.7	0.2	0.8	1.2	1.3	0.3	0.8	0	8.5
1977													
Indian							Not Available						
Canadian Population	0.5	0	0	0.8	0	0.5	0.6	0	0	0.6	0.8	0	0
1978													
Indian							Not Available						
Canadian Population	0.6	0	0	0.8	0.9	0.7	0.7	0	0	0.3	1.3	0	0

HOSPITALIZATION RATE

Question No. 520—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Manitoba for status Indians?

Question No. 521—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of British Columbia for status Indians?

Question No. 522—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Alberta for status Indians?

Question No. 523—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the Northwest Territories for status Indians?

Question No. 524—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the Yukon Territory for status Indians?

Question No. 525—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Ontario for status Indians?

Question No. 526—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Quebec for status Indians?

Question No. 527—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Newfoundland for status Indians?

Question No. 528—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of New Brunswick for status Indians?

Question No. 529—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Nova Scotia for status Indians?

Question No. 530—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Saskatchewan for status Indians?

Question No. 531—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the (i) hospitalization rate (ii) comparative rate for hospitalization (iii) average time spent in hospital as compared to the rest of the population in the province of Prince Edward Island for status Indians?

Hon. Monique Bégin (Minister of National Health and Welfare): See chart below for hospitalization rates by province for the calendar year 1976 and fiscal years 1977-78 and 1978-79.

NOTE: —Apart from Manitoba, Saskatchewan, British Columbia, the Yukon and Northwest Territories, there are no hospitalization rates available for status Indians as a separate group.

Statistics Canada began collecting hospitalization rates on a fiscal year basis as of 1977-78.

The statistics for the Canadian population as a whole do not include a number of medical services, e.g. special medical care facilities, community health care centres and mental health. Basically they have taken into account all services covered under provincial hospital plans, e.g. general hospitals, extended care, rehabilitation and specialty hospitals such as neurological and cardiology institutes.

Hospitalization Rates

		NFLD.[1]	P.E.I.[1]	N.S.[1]	N.B.[1]	QUE.[1]	ONT.[1]	MAN.	SASK.[4]	ALTA.[5]	B.C.	N.W.T.[6]	YUKON
Hospitalization Rate — Total Population — (Admissions per 1000 Pop.)	1976	162.9	212.0	166.4	170.1	116.6	171.7	168.6	214.9	197.1	166.3	203.8	190.8
	1977-78	—	—	—	—	—	158.7[2]	169.9[3]	210.0	—	160.6[3]	233.7	184.5[3]
	1978-79	158.3	213.6	173.3	173.0	122.5	152.6	160.1	216.5	191.0	161.6	127.2[9]	165.2
Hospitalization Rate — Status Indian — (Admissions per 1000 Pop.)	1976	N/A	N/A	N/A	N/A	N/A	N/A	373.4	518	N/A	300.8	254.0[7]	220
	1977-78	N/A	N/A	N/A	N/A	N/A	N/A	360.0[3]	541	N/A	304.2[3]	258.1	225[3]
	1978-79	N/A	N/A	N/A	N/A	N/A	N/A	336.0	521	N/A	297.5	N/A	N/A
Average Length of Stay — Total Population —	1976	8.64	7.55	—	10.73	—	10.2	10.7	8.8	—	11.37	N/A	5.4
	1977-78	9.11	10.81	10.23	9.95	22.83	10.95	11.31	10.24	10.70	11.81	5.92	5.73
	1978-79	8.28	7.58	9.57	9.93	20.05[10]	10.97	11.24	10.69	11.12	12.67	5.26	5.73
Average Length of Stay — Status Indian —	1976	N/A	N/A	N/A	N/A	N/A	N/A	7.3	7.7	N/A	7.95	7.34[7]	6.5
	1977-78	N/A	N/A	N/A	N/A	N/A	N/A	7.9[3]	7.7	N/A	7.74[3]	8.62	5.9
	1978-79	N/A	N/A	N/A	N/A	N/A	N/A	6.7	7.5	N/A	7.64	N/A	N/A
Hospitalization Rate — Total Population — (Patient-Days per 1000 Pop)	1976	1468.8	1614.3	1613.6	1660.5	2254.0	1812.0	1871.6	2245.7	2196.0	2077.1	1059.9	1228.6
	1977-78	1378.7	1712.8	1733.1	1798.3	2480.0	1782.2	1872.2	2253.1	2115.0	2161.6	989.4	1301.6
	1978-79	1397.0	1709.0	1689.0	1810.0	2524.0	1776.0	1805.0	2230.0	2110.0	2229.0	968.0	948.0
Hospitalization Rate — Status Indian — (Patient/Days/1000 Pop.)	1976	N/A	N/A	N/A	N/A	N/A	N/A	2712	4011	N/A	2391.6	1866.1[7]	1440
	1977-78	N/A	N/A	N/A	N/A	N/A	N/A	2549[3]	4180	N/A	2353.0[3]	2227.7	1310[3]
	1978-79	N/A	N/A	N/A	N/A	N/A	N/A	2242	3921	N/A	2272.9	N/A	N/A

1. Separate rates for the status Indian population are not available.
2. Province of Ontario population source: ministry of treasury, economics and inter-governmental affairs, population estimate for counties, June 1, 1977, (8,373,500).
3. Calendar year 1977.
4. Saskatchewan is reporting hospitalization rates as separations per 1000 population.
5. The information is not readily available from Alberta department of hospitals and medical care. The accuracy of any information that can be provided is highly questionable.
6. 1975 data on status Indian rates are not available.
7. Fiscal year 1976-77 represented.
8. As of this date, Admissions figures are not yet available. Separation rates, which are preliminary to admission figures are quoted here. The differences are usually minimal.
9. Data on N.W.T. incomplete at present.
10. Rates are high due to inclusion of some psychiatric extended care facilities.

CBC—MR. MARK STAROWICZ

Question No. 581—**Mr. Cossitt:**

1. Was CBC producer Mark Starowicz appointed to a senior position with the television news on or about January 1, 1980 and (a) if so (i) what are his qualifications for the position (ii) what are the names and job designations of all those recommending him for such a position (b) if not, is he being considered?

2. Is the government aware as to whether or not security records show that he consorted with Soviet journalist and KGB officer Konstantin Geyvendov and that such facts have been confirmed in the Ontario legislature by the attorney general and, if so, in what way can the government justify the appointment of Mr. Starowicz to a position which deals with the dissemination of news to the Canadian people when he has been reported to have a record of Communist associations?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of the Secretary of State is concerned:

1. To be answered elsewhere.

2. See reply to question No. 105 answered this day.

In so far as the Canadian Broadcasting Corporation is concerned: the CBC has announced that Mark Starowicz will be joining the English television network's current affairs department and will be in charge of development of the new program which will follow "The National" when it moves to 10 p.m.

(a) and (b). The circumstances of CBC employees' employment and assignments are among those details of internal management and administration which parliament has not, as a matter of custom, required the CBC to provide. The background to this custom was explained in detail in the reply to question No. 2,530, May 22, 1975.

2. First part: to be answered elsewhere.

Second part: The CBC was established as a Crown corporation for the purpose of producing and broadcasting, independently of political or commercial interference, programs for a national broadcasting service. Within its terms of reference the Corporation has the sole right and responsibility for hiring and work assignments.

ANTIBIOTICS

Question No. 597—**Mr. Mitges:**

What is the Department of National Health and Welfare's policy regarding new antibiotics used for human medication and their use for disease prevention and/or growth promotants in animals?

Hon. Monique Bégin (Minister of National Health and Welfare): Before new antibiotics may be sold in Canada, proof of their safety and efficacy must be established. If the antibiotic is used in human therapy, the results of clinical trials are required as part of a submission before the granting of a notice of compliance. If used in veterinary medicine for disease prevention, the submission requires proof of all claims. The new antibiotic could not be sold for growth promotion if it is useful in human therapy.

FIELD CROP ASSISTANCE

Question No. 598—**Mr. Howie:**

Since April 1, 1977, what amount was paid to farmers in New Brunswick to assist with field crops?

Hon. E. F. Whelan (Minister of Agriculture): Since April 1, 1977, assistance to farmers in New Brunswick is as follows: $7,475,496 was paid by the Agricultural Stabilization Board. $3,917,600 in repayable advances under the Advance Payments for Crops Program. The repayable advances incurred a cost of $134,360 to the department in interest charges which are not required for recovery from the producers. $31,086 in contributions to premiums under the Crop Insurance Program. $54,931 was provided under the Fruit and Vegetable Storage Construction Financial Assistance Program.

FRUIT FARMING ASSISTANCE

Question No. 601—**Mr. Howie:**

Since April 1, 1977, what amount was paid to farmers in New Brunswick to assist with fruit farming?

Hon. E. F. Whelan (Minister of Agriculture): A total of $2,525.59 was paid by the Agricultural Stabilization Board to farmers in New Brunswick to assist with fruit farming.

HEALTH AND WELFARE (LAWYERS ON STAFF)

Question No. 614—**Mr. Howie:**

How many lawyers are employed on staff in the Department of National Health and Welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): There is one lawyer employed on staff in the Department of National Health and Welfare.

In addition, there are five lawyers seconded to this department from the Department of Justice.

AGRICULTURE CANADA PUBLIC RELATIONS

Question No. 627—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): Twenty-six.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE PUBLICITY

Question No. 635—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of National Health and Welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: 21.

DEPARTMENT OF EXTERNAL AFFAIRS PUBLICITY

Question No. 640—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of External Affairs?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Including both program and support staff, 18 departmental employees are currently involved in public relations and media activities oriented towards provision of information on Canadian foreign policy and international relations and departmental services and activities to the Canadian media and general public.

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION PUBLICITY

Question No. 642—**Mr. Howie:**

How many persons engaged in public relations, publicity or media relations, are employed on staff in the Department of Employment and Immigration?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Personnel records of the Canada Employment and Immigration Department are not maintained in such a manner as to facilitate extraction of the requested information. There are, however, 83 persons employed as information officers.

CHILD ABUSE STUDIES

Question No. 649—**Mr. Howie:**

From January 1, 1977 to date, were studies done for the Department of National Health and Welfare by outside consultants regarding child neglect or abuse?

Hon. Monique Bégin (Minister of National Health and Welfare): Studies done for the Department of National Health and Welfare by outside consultants regarding child abuse are outlined as listed below.

National Health Research and Development Program

Projects Funded Re: Child Abuse—76/77 to 79/80

Title of Project—Department and Institution—Principal Investigator (s)	1976-77	1977-78	1978-79	1979-80
A Family Aid project for parents with a high risk of Child Abuse—Faculty of Medicine, University of Calgary—Dr. V. C. MacMurray, Dr. J. R. Brummitt and Dr. P. H. Cunningham (Demonstration).	10,754	45,130	14,481	—

A Family Aid project for Parents with a High Risk of Child Abuse—Faculty of Medicine, University of Calgary—Dr. V. C. MacMurray, Dr. J. R. Brumitt and Dr. P. H. Cunningham (Evaluation).	13,786	26,517	33,317	—
Feasibility study for a prospective investigation—of parent-infant bonding including identification of parents possibly at risk for child abuse. Department of Psychology, University of B.C., Dr. Tannis McBeth Williams	—	22,842	10,298	—
Le devenir des enfants maltraités; Étude comparative par rapport à un groupe contrôlé—l'Hôpital Saint-Justine pour les enfants—Dr. Gloria Jeliu		9,068	46,355	49,864
Project Toddler: A Preventive Mental Health Program for Very Young Children—Child Psychiatry Clinic, Vancouver General Hospital—Dr. P. S. Stephenson	(87,744) 72/73 to 75/76	9,696	—	—
Total (87,744)	24,540	113,253	104,451	49,864

Note: Amounts shown represent actual expenditures. (Figures in bracket represent expenditures previous to 1976-77)

P.E.I, Youth Job Corps Project, Child Abuse Information Kit—Canadian Home and School and Parent-Teacher Federation, P.E.I., Mr. T. Wilkinson, President.	$4,879.28
Child Abuse Study—The study is being sponsored by the Social Service Programs Branch of Health and Welfare in response to the recommendations made by the Federal-Provincial Consultation on Child Abuse held in Toronto in April, 1978; the recommendations made by the Standing Committee on Health, Welfare and Social Affairs in 1976; and as part of the federal commitment to the International Year of the Child. The study is headed by Corinne Robertshaw, a lawyer and senior executive on secondment from the Department of Consumer and Corporate Affairs. All provinces and territories were consulted prior to commencing the study. Findings and recommendations are being discussed with provincial/territorial officials and with experts in the private sector.	$67,000.00
Overview of Child Abuse Research and Demonstration Projects. TREE Foundation of Canada, Montreal Quebec Mary Van Stolk, President.	2,728.69

HOUSING FOR NATIVE PEOPLE

Question No. 651—**Mr. Howie:**

From January 1, 1978, what amount was (a) loaned (b) granted for new housing units for native people in New Brunswick?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: (a) Under the Rural and Native Housing Program, loans totalling $10,908,000 have been committed for new housing units in New Brunswick between January 1, 1978, and April 30, 1980. This amount represents the federal government's 75 per cent share of capital costs, and does not include the provincial government's 25 per cent share.

(b) No grants are provided for the construction of new housing under the Rural and Native Housing Program.

NOTE: The above figures represent housing delivered to both native and non-native clients in rural areas.

Question No. 652—**Mr. Howie:**

From January 1, 1978, how many new units of housing have been constructed for native people in New Brunswick?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: a total of 367 new housing units have been constructed/committed in New Brunswick under the Rural and Native Housing Program during the period January 1, 1978, and April 30, 1980. Approximately 110 units were delivered specifically to native clients.

Question No. 653—**Mr. Howie:**

From January 1, 1978, how many existing housing units for native people in New Brunswick have been repaired or improved by CMHC funding?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: under the Rural Residential Rehabilitation Assistance Program (Rural RRAP), 3,689 units have been rehabilitated in New Brunswick between January 1, 1978, and April 30, 1980. A further 55 units on-reserve in New Brunswick have been rehabilitated during the same period. Apart from those 55 units on-reserve, no breakdown of the 3,689 Rural RRAP units, as to native/non-native clients serviced by the program, is available.

In addition, approximately 30 units have been improved under the Emergency Repair Program in New Brunswick since January 1, 1978.

Question No. 654—**Mr. Howie:**

From January 1, 1978, what amount was (a) loaned (b) granted for the repair or improvement of existing housing accommodation for native people in New Brunswick?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing as follows:

(a) Under the Rural Residential Rehabilitation Assistance Program (Rural RRAP), $15,897,000 has been committed in New Brunswick between January 1, 1978 and April 30, 1980. During the same period $232,000 has been committed for on-reserve RRAP in New Brunswick.

NOTE: Under the provisions of Rural RRAP, a certain amount of the loan provided to a client may be forgiven, up to a maximum of $3,750, depending on the client's adjusted income. Latest figures available, covering the period January

1, 1978, to December 31, 1979, indicate a total forgiveness of $8,981,695 for Rural RRAP and approximately $211,656 under on-reserve RRAP for the same period.

(b) Under the Emergency Repair Program, $35,000 was granted to New Brunswick during 1978 for the improvement of existing housing. During 1979, $15,000 was allocated to New Brunswick, however these funds were not used. For 1980, $15,000 has been allocated to New Brunswick but there is no indication yet as to whether these funds will be used.

RESEARCH AND DEVELOPMENT ASSISTANCE

Question No. 664—**Mr. Howie:**

Does the Department of Regional Economic Expansion, in investigating applications submitted under the DREE program for assistance, make allowance for facilities to undertake research and development projects and, if so, since December 1978 to date, how many applications for assistance from the Atlantic region have included specifications for research and development facilities?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: the Regional Development Incentives Act (RDIA) enables the department to offer incentive grants to eligible manufacturing and processing operations. Projects which are solely of a research and development nature are not eligible for RDIA incentive grants but may be eligible for a loan guarantee under RDIA. No applications for loan guarantees for research and development facilities have been received in the Atlantic region since December, 1978.

Some applications for RDIA incentive grants could provide for research and development facilities as an integral part of the manufacturing or processing operation. The department does not compile statistics on applications involving an element of research and development.

SISMANS OF CANADA LTD.—GRANTS

Question No. 671—**Mr. Nystrom:**

In the fiscal year 1979-80, did Sismans of Canada Ltd. apply for federal grants and, if so (a) on what dates (b) on what dates were they approved and (i) in what amounts (ii) what amounts have been disbursed to date?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as the Canada Employment and Immigration Commission and the Department of Employment and Immigration are concerned: no. However, Sismans of Canada applied for contributions under the Canada Manpower Industrial Training Program.

(a) Date of application	(b) Date of approval	(i) Amount of application	(ii) Amount disbursed
(1) October 27, 1978	December 15, 1978	$1,797.00	$ 148.79
(2) August 10, 1979	August 24,1979	$1,464.00	$1,262,40
(3) August 10, 1979	August 24, 1979	$2,709.00	$1,927.80
(4) October 29, 1979	December 3, 1979	$2,759.00	$1,883.30

In so far as the Department of Industry, Trade and Commerce is concerned: in the fiscal year 1979/80, Sismans of Canada Ltd. did not apply for federal grants under the department's programs.

In 1977, however, the company applied for and received a grant of $14,616 for consulting assistance to conduct an operational audit under the Footwear and Tanning Industries Adjustment Program. The grant was disbursed in the fiscal year 1978/79.

In so far as the Department of Regional Economic Expansion is concerned: No.

CARIBOU AND REINDEER ANTLER EXPORTS

Question No. 682—**Mr. Nickerson:**

What was the quantity and value of caribou and reindeer antler exports during the last year for which figures are available and was the material exported in the raw or in processed form?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports the following: separate statistics are not compiled by Statistics Canada on exports of caribou and reindeer antlers. When in the raw, all exports shipments are recorded with a wide assortment of similar products in a general classification entitled "Crude animal and fish products, inedible, not elsewhere specified". If processed or mounted, shipments are also recorded in a basket class "Antiques and collectors' items, not elsewhere specified" and separate figures are not available.

PUBLIC SERVICE COMMISSION CONTRACTS

Question No. 702—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Public Works for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Hon. Paul J. Cosgrove (Minister of Public Works): Public Works Canada records do not indicate whether or not persons to whom contracts are let were previously employed by the Public Service Commission. We do, however, have information on former Public Works Canada employees who have been contracted as consultants.

1. Public Works Canada let eight consultant contracts to former employees.

2. The duration of the contracts was as follows:

(a) Less than one year—six

(b) One—Two years—two

(c) Over two years—None

3. There were two contracts let outside the National Capital Region.

4. Total expenditures for these contracts were $42,603.00.

PUBLIC SERVICE COMMISSION CONTRACTS

Question No. 702—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of Employment and Immigration for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. Fifteen.

2. (a) twelve

(b) one

(c) two

3. Eight.

4. $97,780.98.

NATIONAL HEALTH AND WELFARE CONTRACTS

Question No. 704—**Mr. Clarke:**

1. For the fiscal year 1978-79, how many contracts were let by the Department of National Health and Welfare for professional services, to persons who at any time within the past five years, had been employed in indeterminate positions under the Public Service Commission?

2. How many contracts were (a) for less than one year (b) for one to two years (c) over two years?

3. How many contracts were let outside the National Capital Region?

4. What was the total cost of all such contracts?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. For the fiscal year 1978-79, eleven contracts were let for professional services, to persons who within the past five years, had been employed in indeterminate positions under the Public Service Commission.

2. Contract (a) less than one year—five

(b) for one to two years—six

(c) over two years—none

3. The number of contracts let outside the National Capital Region was four.

4. Total cost of such contracts—$112,282.

MR. DOUGLAS COOPER

Question No. 726—**Mr. Cossitt:**

1. Is, or was, Douglas Cooper a member of the Royal Canadian Mounted Police and, if so (a) what ranks has he held and what is his present rank (b) where is he stationed at the present time and how long has he been there (c) what are his duties (d) did he at any time testify at the McDonald Commission and, if so (i) was it *in camera* (ii) was it in public (iii) on what date?

2. Was Douglas Cooper associated with a group known as the National Criminal Investigation Bureau and, if so (a) what were the duties of this bureau (b) was he its head (c) did it ever make investigations of politicians or high ranking public servants and, if so, who authorized the investigations?

Hon. Bob Kaplan (Solicitor General): 1. Yes.

(a) Constable, corporal, sergeant, staff sergeant, sub-inspector and present rank is inspector.

(b) Ottawa; 3 years, 8 months.

(c) Officer in charge security systems branch, protective policing directorate, RCMP "HQ" division.

(d) No.

(i to iii) Not applicable.

2. No.

(a, b, and c) Not applicable.

CN HOTELS DIVISION

Question No. 733—**Mr. Clarke:**

1. With reference to the Canadian National Railways annual report for 1979 and with particular reference to the detailed report of the CN hotels division, is the division losing an increasing amount of money every year and, if so, considering that there are many other private hotel chains, could the corporation state what rationale they have for continuing in the hotel business?

2. Has the corporation made any projections as to the effect on its earnings of the selling of the hotels division to the private sector and, if so, what are the details of such plans?

3. What is the total market value of all property held by the division?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows:

1. The apparent worsening of financing results in 1979 reflected in part write-offs associated with the sale of the Hotel Fort Garry, computer system development costs and disposals of obsolete equipment. Exclusive of these non-recurring items, hotel income for 1979 would show a reasonable improvement.

   While profits dropped significantly in 1976 and 1977 (due principally to an over-supply of hotel accommodation in Vancouver and Montreal), the recent record of CN hotels is generally good and prospects for a stronger financial performance are good.

2. No projections have been made recently as to the effect of disposing of the total hotel interests to the private sector. Corporate planning contemplates that CN will remain in the hotel business and that first-class standards of accommodation can be maintained with an acceptable rate of return.

3. There has been no over-all appraisal of the market values of the hotel properties. The book value at the end of 1979 was $67 million.

   In the final analysis, the market value will reflect annual cash flows and the potential for capital appreciation. On that basis, the market value of the properties held by the division will be significantly higher than the book value mentioned.

FUNDY NATIONAL PARK—BILINGUALISM

Question No. 737—**Mr. Corbett:**

1. Have any persons lost their jobs for not being bilingual in Fundy National Park since it opened and, if so (a) how many (b) what positions did they hold?

2. Are the employees of the park provided with French language training facilities and, if not, for what reason?

3. If former unilingual employees were willing to take French language training would they be re-instated in their positions and, if not, for what reason?

4. (a) How many bilingual persons have been employed by the park who were not previously residents of the Alma-Hillsborough area before their employment in the park (b) what positions do they hold?

5. Was it a condition of the establishment of the park that local residents and those who lost their property through expropriation would be provided with the first opportunity of employment within the park?

6. What positions in the park require a bilingual status?

7. Do the bilingual employees of the park receive the bilingual bonus and, if not, for what reason?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. No.

2. Employees qualify for training by virtue of the language identification of their positions under the Treasury Board guidelines. The full-time bilingual indeterminate positions qualify (non-imperative) if they have language training entitlement. Employees other than indeterminate do not qualify for language training at public expense.

3. Not applicable.

4. (a) The two full-time bilingual positions were filled by non-local residents, one appointed in 1975 and the other in 1978. Term bilingual employees are hired each year. Of the 17 term bilingual employees hired for the 1980 season, 11 were not residents of Alma-Hillsborough area before employment in the park.

(b)

Assistant chief park interpreter	(1)
Visitor services officer	(1)
Park attendants—information	(6)
Park attendants—campground	(6)
Park patrolmen	(2)
Term interpreters	(3)
	19

5. No.

6. See 4 (b).

7. Only persons employed in bilingual positions for more than six months are eligible for the bilingual bonus (T.B. Directive); therefore only two positions in Fundy National Park qualify. At the present, only one employee receives the bonus. The second position is occupied by a person whose linguistic qualifications are currently under review.

NEWFOUNDLAND FISHING INDUSTRY

Question No. 742—**Mr. Cyr:**

Within the framework of the agreement signed on October 15, 1974 between the Department of Regional Economic Expansion and the government of Newfoundland concerning the development of the fishing industry (a) what were the construction costs of the loading docks, wharves and other facilities for the docking of fishing boats (b) regarding certain works, did the department reimburse the province's share and, if so, what amount and percentage of the cost does this represent?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows:

(a) $4,416,500.

(b) No. Under the Canada/Newfoundland Inshore Fisheries Development subsidiary agreement, the department pays 90 per cent of project costs and the province pays the remaining 10 per cent.

DIAND—CONSULTANTS UNDER CONTRACT

Question No. 743—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Indian Affairs and Northern Development and/or any boards, commissions or corporations reporting to the department and, in each case, what amount was paid to them?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Consultants under contract to DIAND.

(a) and (b) Department: 96 contracts—Total Cost—$892,406.42

N.C.P.C.: 2 contracts—Total Cost—$ 44,271.00.

The above relates to management consultants as it was not possible to identify administrative or policy consultants per se.

See below for details.

August 1, 1978 to March 31, 1980

Name	Number of contracts	Cost
Capital City Consulting	1	$ 1,050.00
W.T. Irvine	1	8,160.00
A. Rikard	1	6,200.00
J. Beaver	1	80,525.00
F. Kelly	1	12,000.00
Union of Nova Scotia Indians	1	25,000.00
Clarkson Company	1	19,985.87
Armstrong Resource Management Consultants	1	5,000.00
Columbia Appraisals	1	1,081.00
David D. and Davis	1	9,075.00
Heritage Realty Projects	1	5,600.00
Kent MacPherson	1	2,500.00
Penticton Indian Band	1	5,000.00
Price Waterhouse and Assoc.	1	1,200.00
Public Works	1	7,500.00
Totem Cafe	1	325.00
W.M. Keer and Assoc.	1	2,190.00
Winspear and Higgins	1	1,500.00
Justus and Simonetta	1	9,500.00
Ray Jones and Assoc.	1	3,040.00
Phillips Edmonson Accountant	1	2,000.00

Les Healy	1	2,250.00
R. Corbeil	1	2,373.00
Indian Assoc. of Alberta	3	92,026.00
Fred Jobin	2	$ 6,274.00
Ohseetaw Consulting	1	4,615.00
J. Slavik Assoc.	1	5,015.00
R.G. Lamb Prof. Corp.	1	9,513.00
Supply and Services Ottawa	1	2,500.00
Peat Marwick and partners	1	423.00
Fresh Water Fish Marketing Co.	2	4,800.00
The Pas Band	1	20,000.00
Bob Van Dyk	5	52,585.58
Harold Dyck	5	66,468.98
Ruber Kremer & Assoc.	7	93,319.68
Ralph Cheeseman	1	9,037.75
Mike Tomilin	1	4,258.99
Taylor Vergette	1	10,509.45
Underwood McLellan	1	9,034.55
Nepean Development Co.	1	18,404.20
Julie Torrance	1	10,284.07
Hilderman Feird Witty	4	50,636.00
Peter Boorhroyd	2	45,813.32
Ordish & Williams	1	200.00
Robert Harvey	1	4,000.00
Georges Ingvi Lithnan	1	3,878.40
Eleanor Millard	1	6,300.00
82445 Canada Ltd.	2	3,233.00
Peter Stone	1	1,400.00
Old Crow Co-op	2	$ 5,000.00
Wm Van Zoost	1	4,500.00
Robert McClure	4	35,605.00
Lorraine Stick	1	3,000.00
Andrew Joe	1	1,600.00
George Henry	1	3,000.00
A.E. Green	1	5,000.00
Ralph Sembsmoen	1	5,000.00
Wickens, Holmes and Donalson	1	4,200.00
Dennis Dennison	1	5,000.00
Joanne Bill	1	3,000.00
Erion, Dixon & Assoc. Ltd.	1	3,000.00
Glen Sigurdson	1	1,830.00
Georges Ingvi Lithnan	1	15,000.00
Elijah Smith	1	25,000.00
Gordon Sinclair	1	800.00
E.P.E.C. Consulting Western Ltd.	1	7,220.58
Richard Hartmire	1	6,000.00
J.M. (Don) Campbell	1	7,050.00
Davis and Company	1	4,016.00
Total	96	$ 892,406.42

Northern Canada Power Commission

August 1, 1978-March 31, 1980.

Name	Number of contracts	Cost
Management Research Western Ltd.	1	$43,471.00
Bureau of Management Consultants (DSS)	1	800.00
Total		$44,271.00

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS CONTRACTS

Question No. 750—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Consumer and Corporate Affairs and/or any boards, commissions or corporations reporting to the department and, in each case, what amount was paid to them?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):

(a) 8 Administrative Contracts—Total Cost: $101,097.

(b) 18 Policy Consultant Contracts—Total Cost: $193,261.

See lists below.

Administrative Contracts

August 1, 1978 to March 31, 1980

Name	No. of Contracts	Cost
Lawrence Thornton	1	1,270
R. A. Packman	1	612
Earl Berger Ltd.	1	139
Indra Ancans	1	2,050
Dept. of Supply and Services	2	92,291
Dannis Mgmt. Ltd.	2	4,735
	8	$101.097

Policy Contracts

August 1, 1978 to March 31, 1980

Name	No. of Contracts	Cost
Prof. R. Schulz	1	6,423
Michael Trebilcock	1	4,404
David Smith	1	4,630
Wawn Consulting Service Ltd.	1	9,778
G. B. Williams	1	15,000
Dr. David Addison	1	100
J. J. Quinlan	2	44,676
Brian Campbell & Assoc.	1	11,168
J. W. Morrow	2	29,236
Fetherstonehaugh & Co.	1	2,400
D. J. French	1	7,200
R. J. McLenahan	1	3,025
Ogilvy, Montgomery	1	4,630
J. P. Williamson	2	13,269
T. D. MacDonald	1	37,322
	18	$193,261

DEPARTMENT OF THE ENVIRONMENT CONTRACTS

Question No. 754—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of the Environment and/or any boards, commissions or corporations reporting to the department and, in each case, what amount was paid to them?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment):

(a) 104—Administrative Contracts—Total cost: $1,041,-513.24.

(b) None—Policy Consultant Contracts—Total cost: —

See lists below.

(a) Administrative Contracts

August 1, 1978 to March 31, 1980

Name	Number of Contracts	Cost $
Veena Singhal	4	37,600.00
Agatha Legault	1	250.00
Western Ecological Serv.	1	7,000.00
John Drewery	1	250.00
Margaret Dunn	1	1,000.00
Mireille Borsenberger	1	215.00
T. Bipe	1	1,200.00
Dr. Paola Rieci	1	5,000.00
Ernst & Ernst Consultants	2	31,650.00
Dr. P. Garique	2	9,900.00
Dr. I. McTaggart-Cowan	1	9,000.00
Canada Institute for Sc./Tech. Inf.	1	7,000.00
Dr. T. Goff	1	5,000.00
Dr. W. A. Ross	1	10,500.00
Gov. Tel. Agency	1	9,000.00
Jean-Guy Marson	2	15,000.00
Richard Langevin	1	1,000.00
National Survival Inst.	3	11,500.00
E. H. Comstock	2	7,975.00
T. Medley	1	800.00
Pollution Probe	1	1,700.00
Greer, Galloway & Assoc. Ltd.	2	14,000.00
Walter Gifford	1	3,000.00
Technical Overload	1	3,780.00
Susan Kelly	2	7,400.00
Friends of the Earth	3	3,400.00
Dr. D. A. Chant	3	19,100.00
Futurescan	1	800.00
Dr. R. H. Hall	1	2,000.00
W. J. McPherson	1	2,500.00
Seer, Consultants	1	15,000.00
Dr. R. G. Beck	1	15,000.00
Dr. D. A. Rennie	1	15,000.00
Cathy Staus	1	4,000.00
T. Beck	2	12,000.00
Dr. Robert Bergeron	2	12,000.00
Dr. D. Schroeder	1	3,500.00
Jean-Marc Desrochers	1	960.00
Sue Grohn	1	1,000.00
Madeleine Pilon	1	570.00
O.T.C. Runnals Ass.	1	2,000.00
Sandra S. Eddy	1	2,700.00
Prof. P. Edmond	1	4,000.00
The Public Policy Concern	1	7,000.00
Conservation Council of N.B.	1	500.00
Clarkson, Gordon & Co.	1	9,500.00
E. A. Balfour	1	1,800.00
Jack Smith	1	500.00
University of P.E.I.	1	500.00
B. Hierlihy & Assoc.	1	23,000.00
Capt. T. C. Pullen	1	4,000.00
Allan R. Milne	1	4,200.00
Baynes Communication Inc.	1	500.00
K. Hodgson	1	5,000.00
Dr. M. Franklin	1	1,000.00
P. A. Taylor	1	888.00
Bureau of Management Consultants	4	49,617.00
Patterson Cook Ltd.	3	22,663.00
Binarius Inc.	2	16,450.00
F.L.C. Reed & Ass. Ltd.	2	20,573.00
Dr. O. M. Solandt	2	39,000.00
S. A. Kelly Mgt. Consulting	3	10,400.00
Tee Consulting Services Inc.	1	4,995.00
D. M. Foulds	1	14,200.00
T.P.A.C. (D.S.S.)	1	4,462.50
Stevenson & Kellog Ltd.	1	31,521.08
Theodore Mosquin	1	15,363.57
Peter Bennett	1	12,521.44
Can-Site Ltd.	1	8,200.00
E. L. P. Cockrell	1	3,123.15
Ecologistics Ltd.	1	1,200.00
Donald E. Graves	1	500.00
Dr. Ted Storey	1	300.00
Dr. Robin Fisher	1	150.00
Spar Aerospace Ltd.	1	387,948.00
A. Taylor	1	1,800.00
Ernst & Ernst	1	21,887.50
Total		1,041,513.24

(b) Policy Contracts

None.

NATIONAL HEALTH AND WELFARE CONSULTANTS

Question No. 755—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of National Health and Welfare and/or any boards, commissions or corporations reporting to the Minister and, in each case, what amount was paid to them?

Hon. Monique Bégin (Minister of National Health and Welfare):

(a) Thirty-seven administrative contracts—Total cost $258,-715.

(b) Eleven policy consultant contracts—Total cost $108,548. See list below.

In so far as the Medical Research Council is concerned:

(a) Forty-one administrative contracts—Total cost ,612.00.

(b) None

See list below.

Administrative	Number of Contracts	Amount
Michel Frémont-Côté	1	$ 5,355
W. Goldthorpe	1	3,400
B. W. Mellor	2	10,260
Dr. A. Anderson	1	15,880
Dr. D. Binder	2	5,000
N. Dinney	1	1,210
G. Grove	1	2,200
Dr. I. Richardson	2	26,500
F. Price	1	9,017
Eliasson, Apostle-Associated Ltd.	2	28,800
Miss Jean MacDonald	1	1,900
Kerry Management Services Ltd.	1	1,333
J. Collier	1	6,726
Dr. Magnus Gunther	5	42,040
D. Kent McCallum	7	35,800
K. Battle	1	11,125
E. Tamagno	3	16,934
Forma consulting	1	5,000
Densan Consultants Ltd.	1	18,000
S. Zimmerman	1	9,555
J. A. Braddock	1	2,680
Total		$258,715
Policy Consultants		
Neil Brooks	1	7,500
J. Phillip Nicholson	1	4,500
Integrated Health Services Associated Inc.	1	18,600
E. Jackson	1	10,000
Dr. Sydney Segal	1	15,400
Dr. V. Tookenay	1	18,800
B. McLeod	1	5,000
L. Shrifrin	1	1,000
R. Cook	1	11,800
N. Connolly	1	14,448
W. J. Seally	1	1,500
Total	1	$108,548

Medical Research Council

Administrative Contracts August 1, 1978 to March 31, 1980

Home	Number of Contracts	Cost
Dr. C. E. Bird	2	$ 4,166.64
Dr. V. Chernick	2	3,958.31
Dr. H. B. Dinsdale	2	4,166.64
Dr. F. C. Fraser	2	4,166.64
Dr. P. C. Holland	1	1,458.31
Dr. J. Inglis	2	4,166.64
Dr. N. Kalant	2	2,708.33
Dr. R. Kisilevsky	2	4,166.64
Dr. D. S. Layne	2	4,166.64
Dr. J. Le Lorier	1	208.33
Dr. C. R. Marchand	1	1,166.64
Dr. A. H. Melcher	2	4,166.64
Dr. E. Potworowski	1	1,458.31
Dr. D. M. Robertson	2	4,166.64
Dr. H. Robson	1	1,458.31
Dr. A. R. Ronald	2	2,708.33
Dr. R. Sheinin	2	4,166.64
Dr. D. Sinclair	2	4,166.64
Dr. J. Spencer	2	2,708.33
Dr. H. E. Taylor	2	2,708.33
John Ball Graphics	2	3,895.50
Data Crown	2	52,508.57
Traductions Tric Translation	2	3,000.00
Total	41	$121,612.00

Policy consultants—None

DND CONSULTANTS

Question No. 758—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of National Defence and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Department of National Defence:

(a) 67 $331,066—See list below.

(b) None.

Defence Construction (1951) Ltd.:

(a) and (b) None.

Contracts Since August 1, 1978

M. A. Akoodie	5,000
J. Archibald	625
R. Baglow	2,500
R. Baglow	900
M. Barlow	2,100
A. H. Blake	1,175
A. Blank	750
R. Bradley	100
G. Bouillon	500
C. Carmichael	100
M. E. Charbonneau	5,250
G. L. Christopher	4,000
C. Collin	5,000
C. Collin	5,000
L. Collins	4,000
J. L. Corneille	15,000
W. Cornell	19,000
H. Critchley	21,175
D. N. Dilks	150
I. Dorfer	300
C. Durlande	150
S. R. Elliott	10,000
G. M. Fyfe	29,925
M. A. Gawido	225

M. Harbottle	200
R. Herbert	1
R. Heron	1,250
E. Honey	50
W. E. Hutchison	9,900
D. Irish	150
J. Joaquin	10,000
J. Joaquin	5,000
D. Jones	100
G. D. Kaye	2,000
M. Khalid	120
M. Lamb	5,000
E. L. Leese	10,000
A. Legault	13,650
J. O. A. Letellier	1,400
J. O. A. Letellier	750
M. Mann	300
D. S. MacLennan	9,900
G. MacKenzie	150
P. Marshal	1,875
S. E. Mayhood	1,800
J. A. McCallum	875
W. A. Milroy	2,500
J. C. Molnar	900
M. G. Neyron	30
P. A. Neatby	23,100
P. Ochitwa	8,400
E. A. Olmstead	22,575
G. F. Peckham	15,750
G. Radbourne	3,000
G. Radbourne	3,520
R. L. Raymond	6,150
R. L. Raymond	7,875
T. Rakowska-Harmstone	1,000
J. Rohwer	200
R. Savory	200
H. Sigurd	750
H. Sigurd	4,500
H. A. Skinner	7,700
D. Solomon	6,095
E. Tepper	175
R. J. Uffen	4,000
B. I. P. Wall	5,250

NATIONAL REVENUE—ADMINISTRATIVE CONTRACTS

Question No. 760—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of National Revenue and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. William Rompkey (Minister of National Revenue):

Customs and Excise:

(a) 8 Administrative contracts—Total cost $120,-525.13. (See list below).

(b) None.

Taxation:

(a) 19 Administrative Contracs—Total Cost $222,-926.67. (See list below).

(b) None.

Administrative Contracts

Customs and Excise

Name	Number of contracts	Cost
Frazer & Otton	2	$ 6,080.00
P. S. Ross & Partners	1	22,145.65
Stevenson & Kellog	1	13,700.00
Peat, Marwick & Partners	1	9,652.55
Planning Systems	1	2,528.50
Systemshouse Ltd.	1	45,840.60
Dixon P.T. Consulting Services	1	20,577.83
Total		$120,525.13

Taxation

Richard K. Arima	1	$ 4,500.00
L. C. Sharp	1	3,818.41
Beaumier, Bolduc, Juneau	1	9,591.95
ISL International Surveys Ltd.	2	27,610.00
Sonelleco Systems Ltd.	1	9,738.30
IBM Canada Ltd.	1	2,534.50
Arima, MacKenzie & Associates	2	24,490.98
University of Michigan	1	873.77
Omniplan Design Group Ltd.	1	12,657.41
Supply & Services (Bureau of Management Consultants)	2	54,239.25
Ducros, Meilleur, Roy & Assoc.	1	30,183.00
Yourdon	1	4,661.46
Printing Bureau	1	2,625.00
G. J. MacKenzie	1	17,402.64
J. A. McKercher	1	7,400.00
M. F. Jefferies	1	10,600.00
Total		$222,926.67

COMMUNICATIONS CONSULTANTS

Question No. 766—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Communications and/or any Boards, Commissions or Corporations reporting through the Minister and, in each case, what amount was paid to them?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

(a) 76 Administrative contracts—Total cost $867,760.00.

(b) 36 Policy consultant contracts—Total cost $345,480.00.

See list below.

Administrative Contracts

August 1, 1978 to March 31, 1980

Name	No. of Contracts	Cost
Caird F. Wilson & Associates	2	$ 5,435.00
Intellitech Canada Ltd.	7	44,455.00
E.A.C. Amy & Sons Limited	5	60,700.00
Canadian Economics Services Limited	2	12,685.00
Group Five Consulting Ltd.	3	25,900.00
Dr. George Warskett	1	14,500.00
Warskett-Economic Consulting Services	1	7,000.00
Currie, Coopers & Lybrand Ltd.	3	76,750.00
Maurice Girard et Associés Inc.	1	15,000.00
Price Waterhouse Associates	5	112,600.00
Switzer Engineering Services Limited	1	20,280.00
Canadian Cable Systems Ont. Ltd.	1	33,291.00
Datacap Limited	16	61,626.00
Mr. Jonathan Cloud	1	9,850.00
Prof. James E. Hatch Associates	2	52,981.00
R. W. Hough and Associates Ltd.	3	92,000.00
ALCO Data Systems	2	15,750.00
Mr. John E. Kleins	1	3,500.00
R. M. Dohoo Limited	2	29,875.00
Campbell M. Dick C. A.	3	36,250.00
346837 Ontario Limited	2	27,300.00
Mr. Dennis W. Parker	1	3,500.00
Mr. Peter Lusick	1	2,000.00
Comsult Group Inc.	1	30,000.00
Mr. C. Christopher Johnston	1	4,800.00
L'Entreprise de la Pierre d'Angle ENR	1	7,000.00
Overhill Engineering Ltd.	1	8,000.00
Mr. F. W. Simpson	1	2,000.00
Prof. Steinbring and Granzburg	1	21,022.00
Mr. T. Qirbi	2	1,350.00
Prof. Victor Nabhan	1	19,860.00
Prof. Brian Segal	1	10,500.00
Total	76	$867,760.00

Policy Contracts

August 1, 1978 to March 31, 1980

Name	No. of Contracts	Cost
Michael Denny & Associates	1	$ 18,000.00
Mr. Alphonse Ouimet	3	32,675.00
Mr. Michael Goldberg	2	12,500.00
Mr. Ernest Digby	1	10,000.00
Institute for Research on Public Policy	1	9,990.00
Mr. Fred Lazar	2	27,975.00
Mr. H. O. R. Hindley	4	39,160.00
Mr. C. J. O'Connell	1	23,700.00
Ms. D. Cheetham	1	4,480.00
Mr. J. V. Clyne	1	9,350.00
Mr. B. H. Honderich	1	7,475.00
Mr. R. Fulford	1	8,500.00
Mr. C. Beigie	1	4,550.00
Ms. Dianne Narvik	1	6,500.00
Mr. Guy Fournier	1	7,550.00
Mr. R. Shaw	1	7,475.00
Mr. E. L. Koyok	1	1,250.00
Tomec Economic Consulting	1	35,000.00
Ms. Helen MacKenzie	2	5,600.00
Prof. G. LeBlanc	1	10,000.00
Mr. C. Kenny	1	2,000.00
Overhill Engineering Ltd.	1	5,000.00
Philip Slayton Holdings Ltd.	1	9,000.00
Mr. Robert E. Babe	1	5,000.00
Donner & Lazar Research Associates	1	5,000.00
Ms. Joyce Nelson	1	5,000.00
Ms. Brenda Large	1	8,400.00
DEVCOM	1	24,350.00
Total	36	$345,480.00

In so far as the Canadian Radio-television and Telecommunications Commission is concerned, the reply to the above question is as follows:

(a) Eight administrative contracts—Total cost—$144,590.00

(b) Policy contracts—None

See list below.

Administrative Contracts

August 1, 1978 to March 31, 1980

Name	No. of Contracts	Cost
Cincom Systems Canada Ltd.	1	$ 19,364.00
Roger W. Hough & Associates	1	4,200.00
R.K. House & Associates Ltd.	1	55,790.00
McCarthy & McCarthy	1	22,964.00
Thorne Riddell & Company	4	42,272.00
Total		$144,590.00

In so far as Teleglobe Canada is concerned, the reply to the above question is as follows:

(a) Four administrative contracts—Total cost—$67,006.50

(b) Policy contracts—None

See list below.

Administrative Contracts

August 1, 1978 to March 31, 1980

Name	No. of Contracts	Cost
Aurore Samman	1	$ 2,000.00
Manuel Werner	1	2,506.50
J. Wilkes	1	22,600.00
Roy Dehoo	1	39,900.00
Total		$67,006.50

IMITATION CHEESE

Question No. 773—**Mr. Cossitt:**

1. To the knowledge of the government, is imitation cheese or blends in the butter industry being sold in Canada and, if so (a) will the government take action to put an end to such sales (b) does it consider this a threat to the dairy industry?

2. Does the government have plans to take action in this field and, if so, what are they?

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

1. (i) Imitation cheese is not being sold in Canada.

(ii) Blends of margarine and butter have been sold for some time in the provinces of Nova Scotia and Saskatchewan.

(a) (i) Not applicable.

(ii) The manufacture and sale of such products is within the purview of the individual provinces.

(b) (i) The introduction of imitation cheese could adversely affect the market for mozzarella cheese, and have other broader and long-term effects.

(ii) Their sales have helped firms increase or maintain their market for butterfat.

2. (i) The government has been making a continuous study of this product and has served as a source of information to the provinces and other interested parties.

(ii) To lessen consumer confusion and in the interest of orderly marketing, Agriculture Canada has suggested a standard which could be subscribed to by provinces. No further action is anticipated at this time.

DAIRY PRODUCTS

Question No. 774—**Mr. Cossitt:**

Does the Department of National Health and Welfare consider milk or any other dairy product to be a health hazard and does it have any evidence that establishes beyond a doubt that cholesterol contained therein is harmful to arteries and, if not, is it prepared to support the dairy industry by clarifying the subject to the general public?

Hon. Monique Bégin (Minister of National Health and Welfare): The Department of National Health and Welfare does not consider milk or any other dairy product to be a health hazard. There is no evidence to establish beyond a doubt that cholesterol in milk or other dairy products is harmful to arteries. Based on the available evidence, the Canada Food Guide, published by this department, advises consumption of milk and dairy products as an integral part of a balanced diet.

USE OF GOVERNMENT AIRCRAFT

Question No. 779—**Mr. Kristiansen:**

1. Since March 3, 1980, did the Minister of Labour use government aircraft and, if so (a) on how many occasions (b) to what destinations (c) what would be the cost if commercial aircraft had been used?

2. For what reason was commercial aircraft not used?

Hon. Gerald Regan (Minister of Labour):

1. (a) Four

(b) Calgary-Vancouver-Whitehorse
Winnipeg-Edmonton-Calgary
Montreal-Halifax
Fredericton

(c) Accompanied by departmental officials, etc.:

Approximately $2,370

Approximately $1,020

Approximately $ 487

Approximately $ 460

2. No commercial flights available at appropriate times.

HEALTH AND WELFARE—STUDY OF RADON GASES

Question No. 786—**Mr. de Jong:**

Did the Department of National Health and Welfare conduct a study of radon gases in homes and buildings across Canada and, if so, on what date will the minister make such information available to the public?

Hon. Monique Bégin (Minister of National Health and Welfare): Yes, a study was conducted during the summers of 1977 and 1978. A news release was published by the department on January 30, 1978. The results of the study are in press in the open scientific literature. A continuation of the study is planned for 1980 at five centres in the prairie provinces and results will be published when available.

DIAND—NATIVE EMPLOYEES

Question No. 790—**Mr. de Jong:**

1. (a) How many persons are employed by the Department of Indian Affairs and Northern Development (b) how many are native and where are they located?

2. (a) How many employees are there in the Saskatchewan region (b) how many are native and where are they located?

3. How many Indians are there in Canada and what is the breakdown by region?

4. (a) What amount does the department spend each year and what portion is spent on administration (b) what amount is administered by Indians?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development):

1. (a) Total number of persons employed—6,364

(b) Total number of native persons employed—1,636

Location of native employees by region:

Headquarters—Ottawa/Hull	116
Atlantic Region—	50
Quebec—	137
Ontario—	343
Manitoba—	218
Saskatchewan—	297
Alberta—	255
B.C.—	143
Yukon—	39
N.W.T.—	38

2. (a) There are 844 employees in the Saskatchewan Region.

(b) 297 Native persons.

Location	Number of Employees
Gordon Student Residence	28
Muscowquon St. Residence	20
Saskatoon	10
Shellbrook	16
Fort Qu'Appelle	22
Yorkton	21
Duck Lake	30
Yorkton District Office	20
Regina Regional Office	23
North Battleford District Office	15
Prince Albert St. Residence	35
Prince Albert District	22
Beauval St. Residence—Meadow Lake	18
Meadow Lake District Office	17

3. Registered Indian population by region December 31, 1978.

Region	Population
Atlantic	11,389
Quebec	30,723
Ontario	67,460
Manitoba	44,642
Saskatchewan	46,275
Alberta	30,150
B.C.	55,217
N.W.T.	7,649
Yukon	4,244
Total in Canada	302,749

4. (a)

	000's	
	1979-80	1980-81
Administration Costs:		
Administration Program	$ 24,802	$ 28,796
Indian and Inuit Program-Administration	80,197	81,887
Northern Program—Administration	8,295	7,346
Total Administration Costs	$ 113,294	$ 118,029
Total Departmental Costs (Including Non-Budgetary)	$1,147,277	$1,218,530
Percentage Administration	9.9%	9.7%

NOTE: 1979-80 figures include supplementary estimates adjustments and therefore do not match 1979-80 Blue Book figures.

(b) In 1979-80, $407,126,000 was administered by Indians, in 1978-79, $219,035,000 and in 1977-78, $235,224,000.

CBC FACILITY IN REGINA

Question No. 794—**Mr. de Jong:**

1. What is the status of the planned CBC facility in Regina at this time?
2. Will the facility be built and, if so, what is the timing on the project?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. The CBC's Regina consolidation project on the planed Wascana site will proceed after the revision of operations requirements, updating of cost estimates and of the schedule.

2. Yes. Tender calls are expected around October of this year. The operational target date is set for approximately early 1984.

NUTRITIONAL SCHOOL LUNCH PROGRAM

Question No. 797—**Mr. de Jong:**

Were studies undertaken by the Department of National Health and Welfare to study the possibility of introducing a nutritional school lunch program across Canada and, if so, will the studies be made public?

Hon. Monique Bégin (Minister of National Health and Welfare): There have been no specific studies by the Department of Natioanl Health and Welfare on the possibility of introducing nutritional school lunch programs across the country. There has, however, been collaborative action with the provinces on this issue. In 1974, a review of existing school lunch programs was undertaken through the federal-provincial subcommittee on nutrition. As a result of the review, a set of "Guidelines for School Food Programs in Canada" was produced in 1976 which was designed to support the efforts of local communities to improve school food services. The guidelines have been distributed to many groups. At the same time provincial departments of health, local school boards, and health units have taken initiatives to provide nutritious foods in conjunction with nutrition education programs. The Department of National Health and Welfare has provided support to

two provincial studies which have evaluated the effects of school lunch programs:

(1) The National Health Research and Development Program provided financial support to the home economics department, University of Prince Edward Island, for their study on "Adolescents and Their Food: changes through nutrition education and school lunch". Information on the study is available from the home economics department of University of Prince Edward Island.

(2) The Health protection branch co-operated with community health services, Alberta social services and community health, in a study on "Evaluation of a School Lunch Program in northern Alberta, 1974-1976". Information on the study is available from community health services.

PONCEAU SX AND OTHER COLOURING AGENTS

Question No. 801—**Mr. de Jong:**

1. Does the Department of National Health and Welfare plan to review the decision to allow the use of Ponceau SX as a dye in foods?

2. Have studies been done by the department in relation to food dyes and, if so, will the Minister release such studies?

3. What is a list of all coloring agents permitted for use in foods, cosmetics and drugs in Canada?

4. Does the government plan to ban the use of Ponceau SX as a dye in foods?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. The Department of National Health and Welfare continuously reviews the use of food colours as new data become available. The use of Ponceau SX was last reviewed in 1978. The data available at that time did not warrant removal of this food colour from the Food and Drug Regulations in view of its restricted use. There is no new evidence indicating a potential hazard.

2. Yes. Some in-house studies on food colours were conducted and the department continually reviews all new scientific research published in the world literature. The results of the in-house studies are available as publications in the scientific literature.

3. A list of colouring agents that are permitted in foods in Canada is found in the Food and Drug Regulations, division B.16, table III. (Please see list below) A list of permitted colouring agents in drugs and cosmetics is being developed.

4. The data available at this time do not justify a ban on the use of Ponceau SX as permitted under the Food and Drug Regulations. Should new data indicating that the use of Ponceau SX as currently permitted poses a health hazard, the government would take appropriate action, including a ban, if necessary. It should be noted that the use of Ponceau SX is restricted to 150 parts per million in fruit peel, glacé fruits and maraschino cherries only.

Table III.
Food Additives that may be used as Colouring Agents

Item No.	Column I Additive	Column II Permitted in or Upon	Column III Maximum Level of Use
1	Aluminum Metal Alkanet Annatto Anthocyanins Beet Red Canthaxanthin Carbon Black Carotene Charcoal Chlorophyll Cochineal Iron Oxide Orchil 13-5-75 Paprika Riboflavin Saffron Saunderswood Silver Metal Titanium Dioxide Tumeric Xanthophyll	(1) Apple (or rhubarb) and (naming the fruit) Jam; Bread; Butter; Cheese; Concentrated fruit juice; Fig marmalade with pectin; Ice cream mix; Ice milk mix; Icing sugar; (naming the fruit) Jam with pectin; (naming the fruit) Jelly with pectin; Liqueurs and alcoholic cordials; (naming the flavour) milk; Pickles and relishes; Pineapple marmalade with pectin; Sherbet; (naming the flavour) Skim milk; (naming the flavour) Partly skimmed milk; (naming the flavour) Skim milk with added milk solids; (naming the flavour) Partly skimmed milk with added milk solids; Smoked fish; Lobster paste and fish roe (caviar); Tomato catsup; Marinated or similar cold processed, packaged fish and meat (Division 21).....	(1) Good Manufacturing Practice

Item No.	Column I Additive	Column II Permitted in or Upon	Column III Maximum Level of Use
28-4-74		(2) Liquid, dried or frozen whole egg; liquid, dried or frozen egg yolk	(2) Good Manufacturing Practice in accordance with paragraphs B.22.034(*b*) and B.22.035(*b*)
		(3) Unstandardized foods.....	(3) Good Manufacturing Practice
		(4) Vegetable fats and oils.....	(4) Good Manufacturing Practice in accordance with section B.09.001.
17-11-77		(5) Margarine.....	(5) Good Manufacturing Practice in accordance with subparagraph B.09.016(*c*)(vi).
	1A. B-apo-8′-Carotenal Ethyl B-apo-8′-carotenoate	(1) Apple (or rhubarb) and (naming the fruit) Jam; Bread; Butter; Cheese; Concentrated fruit juice; Fig marmalade with pectin; Ice cream mix; Ice milk mix; Icing sugar; (naming the fruit) Jam with pectin; (naming the fruit) Jelly with pectin; Liqueurs and alcoholic cordials; Margarine; (naming the flavour) Milk; Pickles and relishes; Pineapple marmalade with pectin; Sherbet (naming the flavour) Skim milk; (naming the flavour) Partly skimmed milk; (naming the flavour) Skim milk with added milk solids (naming the flavour) Partly skimmed milk with added milk solids; Smoked fish; Lobster paste and fish roe (caviar); Tomato catsup.....	(1) 35 p.p.m.
17-11-77		(2) Unstandardized foods.....	(2) 35 p.p.m.
	2 Caramel	(1) Ale; Apple (or rhubarb) and (naming the fruit) Jam; Beer; Brandy; Bread; Brown bread; Butter; Cheese; Cider; Cider vinegar; Concentrated fruit juice; Fig marmalade with pectin; Holland's Gin; Ice cream mix; Ice milk mix; Icing Sugar; (naming the fruit) Jam with pectin; (naming the fruit) Jelly with pectin; Light Beer; Liqueurs and alcoholic cordials; Malt liquor; Malt vinegar; (naming the flavour) Milk; Mince meat; Pickles and relishes; Pineapple marmalade with pectin; Porter; Rum; Sherbet; (naming the flavour) Skim milk; (naming the flavour) Partly skimmed milk; (naming the flavour) Skim milk with added milk solids; (naming the flavour) Partly skimmed milk with added milk solids; Smoked fish; Lobster paste and Fish roe (caviar); Stout; Tomato catsup; Whiskey; Wine; Wine vinegar; Honey wine	(1) Good Manufacturing Practice
25-8-76		(2) Unstandardized foods.....	(2) Good Manufacturing Practice

Item No.	Column I Additive	Column II Permitted in or Upon	Column III Maximum Level of Use
3	Amaranth Erythrosine Indigotine Sunset Yellow FCF Tartrazine	(1) Apple (or rhubarb) and (naming the fruit) Jam; Bread; Butter; Cheese; Concentrated fruit juice; Fig marmalade with pectin; Ice cream mix; Ice milk mix; Icing sugar; (naming the fruit) Jam with pectin; (naming the fruit) Jelly with pectin; Liqueurs and alcoholic cordials; (naming the flavour) Milk; Pickles and relishes; Pineapple marmalade with pectin; Sherbet; (naming the flavour) Skim milk; (naming the flavour) Partly skimmed milk; (naming the flavour) Skim milk with added milk solids; (naming the flavour) Partly skimmed milk with added milk solids; Smoked fish; Lobster paste and fish roe (caviar); Tomato catsup.....	(1) 300 p.p.m. singly or in combination in accordance with Section B.06.004.
13-5-75		(2) Unstandardized foods.....	(2) 300 p.p.m. singly or in combination in accordance with Section B.06.004.
4	Brillant Blue FCF Fast Green FCF	(1) Apple (or rhubarb) and (naming the fruit) Jam; Bread; Butter; Cheese; Concentrated fruit juice; Fig marmalade with pectin; Ice cream mix; Ice milk mix; Icing sugar; (naming the fruit) Jam with pectin; (naming the fruit) Jelly with pectin; Liqueurs and alcoholic cordials; (naming the flavour) milk; Pickles and relishes; Pineapple marmalade with pectin; Sherbet; (naming the flavour) Skim milk; (naming the flavour) Partly skimmed milk; (naming the flavour) Skim milk with added milk solids; (naming the flavour) Partly skimmed milk with added milk solids; Smoked fish; Lobster paste and fish roe (caviar); Tomato catsup.....	(1) 100 p.p.m. signly or in combination in accordance with Section B.06.004.
13-5-75		(2) Unstandardized foods.....	(2) 100 p.p.m. singly or in combination in accordance with Section B.06.004.
5	Cirtus Red No. 2	Skins of whole oranges.....	2 p.p.m.
6	Ponceau SX	Fruit Peel; Glacé fruits; Maraschino Cherries	150 p.p.m.
28-9-67			

TOXIC WASTE SITES

Question No. 804—**Mr. de Jong:**

1. Did the Department of the Environment undertake a study in Canada similar to the United States Environmental Protection Agency study which recently disclosed that there are over 32,000 toxic waste sites scattered across the USA, more that 800 of which pose "significant imminent hazards" to public health and, if so, how many toxic waste sites were found and what are their locations?

2. How many of the sites are considered to be of a significant imminent hazard to public health?

3. Has any government action been taken to protect Canada's health, now and in the future and, if so, what is such action?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. No. In Canada, such inventories are being undertaken by the responsible provincial departments. However, Environment Canada is following closely provincial progress in locating and assessing existing and abandoned disposal sites. The department is also co-operatively engaged with the Atlantic and the western provinces in studies which are addressing the problems of existing sites and of finding sites for new regional disposal facilities.

2. As far as is known, there are no sites discovered which pose a significant imminent hazard to public health.

3. In the two federal/provincial co-operative studies mentioned above, abandoned and existing sites have been identified in the Atlantic provinces and problems associated with existing sites in western Canada have been documented. Ontario and Quebec are investigating and assessing abandoned sites in their jurisdiction. The federal government is also active in areas of national concern such as compiling a Canada-wide inventory of sources of hazardous wastes, developing a definition of "hazardous waste" for identifying wastes to be controlled, and, a manifest system, through the Transport of Dangerous Goods Act, for controlling interprovincial and international movements, encouraging technology development and developing guidelines for design and operation of facilities to establish uniform basic standards for hazardous waste management across Canada.

MARIJUANA STUDIES

Question No. 812—**Mr. Howie:**

Since April 1, 1975, what amount was spent by all departments and agencies on studies related to marijuana?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Transport Canada advises as follows: $70,600.

For other departments and agencies see replies to the following questions:

813—Answered this day.

814—Answered this day.

815—Hansard No. 46, June 17, 1980, page 2186.

816—Hansard No. 44, June 13, 1980, page 2095.

817—Hansard No. 28, May 22, 1980, page 1307.

818—Hansard No. 47, June 18, 1980, page 2320.

819—Hansard No. 49, June 20, 1980, page 2320.

820—Hansard No. 49, June 20, 1980, page 2320.

821—Answered this day.

822—Hansard No. 44, June 13, 1980, page 2095.

823—Hansard No. 41, June 10, 1980, page 1950.

824—Hansard No. 61, July 15, 1980, page 2923.

Nil replies have been received from all other departments and agencies.

MARIJUANA STUDIES

Question No. 813—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Solicitor General's Department?

Hon. Bob Kaplan (Solicitor General): In so far as the Ministry of the Solicitor General is concerned: $4,900.

Question No. 814—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of National Revenue?

Hon. William Rompkey (Minister of National Revenue): The department has not carried out any studies per se relating to marijuana. The customs and excise division has conducted a number of data research projects concerning seizures in narcotics, which included marijuana. It would, however, be impossible to isolate the costs of the marijuana aspects of these studies.

BANK OF CANADA

Question No. 834—**Mr. Howie:**

Since January 1, 1978, what amount was spent on interior landscaping by the Bank of Canada and on what projects?

Hon. Pierre Bussières (Minister of State (Finance)): Between January 1, 1978, and April 30, 1980, the amount spent by the Bank of Canada on interior landscaping was $153.9 thousand for capital items which were included in the budget for the Bank of Canada's head office project and $72.9 thousand was expended for maintenance services.

ATLANTIC COAST OIL DRILLING

Question No. 837—**Mr. Howie:**

From January 1, 1978 to date, how many drillings were carried out off the Atlantic coast in search of oil pools?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: since January 1, 1978, 17 wells have been drilled offshore Canada's east coast including Davis Strait. In addition one well that was in the process of being drilled on January 1, 1978 was finished and three are currently being drilled but have not yet reached their prognosed total depth.

LETTER CARRIERS

Question No. 841—**Mr. Howie:**

On December 1 (a) 1978 (b) 1979, how many (i) permanent (ii) casual letter carriers were employed by the Post Office Department at Fredericton, New Brunswick?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

	(i) Permanent	(ii) Casual
(a) December 1, 1978	48	2
(b) December 1, 1979	50	3

POST OFFICE, FREDERICTON, N.B.

Question No. 842—**Mr. Howie:**

On December 1 (a) 1978 (b) 1979, how many (i) supervisory (ii) administrative personnel were employed by the Post Office Department at Fredericton, New Brunswick?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General):

	(i) Supervisory	(ii) Administrative
(a) December 1, 1978	13	2
(b) December 1, 1979	13	2

GOVERNMENT DEPARTMENTS LOCATED IN SIMCOE SOUTH

Question No. 852—**Mr. Stewart:**

Are any government departments situated in the constituency of Simcoe South and, if so (a) which ones (b) in what locations (c) what is the total square feet of office space occupied by each (d) what is the rent per square foot for office space?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works and National Defence as follows:

The following government departments are situated in the constituency of Simcoe South:

(a) Department	(b) Location	(c) sq. metres	(d)*rent per m^2
Post Office	11Collier St., Barrie	72.0	$99.03
	44 Collier St., Barrie	1014.2	(c/o)
	44 Collier St., Barrie	541.9	(c/o)
	Beeton	97.4	77.88
	Bradford	324.7	(c/o)
	Cookstown	94.7	(c/o)
	Elmvale	112.6	(c/o)
	Stroud	83.6	86.30
	Tottenham	152.9	(c/o)
Agriculture	320 Bayfield St., Barrie	228.0	114.20
	Bradford	52.0	(c/o)
Customs Excise	44 Collier St., Barrie	216.1	(c/o)
	70 Collier St., Barrie	252.7	80.19
Employment and Immigration Canada	70 Collier St., Barrie	279.6	96.57
	70 Collier St., Barrie	130.3	96.62
	48 Owen St., Barrie	2004.4	117.90
	48 Owen St., Barrie	838.6	144.11
Secretary of State	44 Collier St., Barrie	56.6	(c/o)
Veterans Affairs	44 Collier St., Barrie	43.3	(c/o)
Canada Pension Plan	70 Collier St., Barrie	253.4	112.07
Canadian Penitentiary Services	89 Dunlop St., E., Barrie	38.1	65.21
Public Works	48 Owen St., Barrie	69.7	117.86
National Defence	Barrie and Canadian Force Base Borden	21638.0 in 55 individual buildings	(c/o)

*(c/o)-Crown-owned-Not applicable since none of the office space is leased.

RIO SAN LORENZO

Question No. 856—**Mr. Crouse:**

1. Did CIDA purchase the vessel *Rio San Lorenzo* and, if so (a) where (b) on what date (c) from whom?

2. In what location, on what date and at what cost was the vessel originally built?

3. Were modifications or repairs effected to the vessel and, if so (a) on what dates (b) what was the nature of the modification or repairs and what was the cost?

4. Were tenders called for the (a) original acquisition (b) repairs and modifications?

5. What agreement, if any, was entered into by CIDA with the government of Columbia relative to the delivery of the vessel and the manner in which it would be used or managed once delivered and did the agreement terminate and, if so, on what date and for what reason?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian International Development Agency and the Department of Supply and Services as follows:

1. The fishing vessel *Rio San Lorenzo* (Gulf Guard) was purchased by the Department of Supply and Services acting on behalf of CIDA on December 12, 1973. The supplier was Breton Trawlers Limited of North Sydney, Nova Scotia.

2. The vessel was originally built by Georgetown Shipyard, Prince Edward Island in 1964. The original construction cost is not known.

3. No data is available on repairs or modifications, if any, made prior to the purchase of the vessel by D.S.S.

Since 1974, the following work was carried out:

1974-75: Repairs, conversion to multipurpose fisheries training vessel. Contract also covered safekeeping and later stability tests. Total cost was $405,843. Shipyard: Breton Industrial and Marine Ltd., Port Hawkesbury, N.S.

1977-78: Repairs, spare parts and supply and installation of fishing gear; safekeeping. Total cost $371,026. Shipyard: North Sydney Marine Railway Co. Ltd., North Sydney, N.S.

1978-79: Repairs after departure attempts and safekeeping. Cost: $70,619. Shipyard: Shelburne Marine Ltd., Shelburne, N.S.

4. (a) Tenders were not called for the original acquisition. CIDA and its consultant Central Design and Drafting Ltd. conducted a search to identify a list of suitable trawlers. DSS technical services division inspected each vessel identified, finding the Gulf Guard to be the most suitable of those identified.

(b) (i) Tenders were invited from 11 shipyards considered capable of performing the conversion and refit work and three only responded, i.e. Breton Industrial and Marine, Port Hawkesbury, N.S., North Sydney Marine Railway Co. Ltd., North Sydney, N.S., and Ferguson Industries Limited, Pictou, Nova Scotia.

(ii) Tenders were not called for the repairs and associated work carried out at North Sydney Marine Railway Co., North Sydney, N.S. because the vessel was not operational, and the work was done in the only ice-free port in the area.

(iii) On completion of the work at North Sydney, D.S.S. obtained for CIDA a certificate of seaworthiness and officially handed the vessel over to CIDA on September 21, 1978.

The contracts with Shelburne Marine Ltd. were issued under CIDA's authority for immediate operational needs and because of the emergency procedures, no tender was issued.

5. The Government of Canada concluded with the government of Colombia an administrative agreement for a professional training program in nautical fisheries. The first agreement was signed in October, 1974 followed by a second agreement in January, 1977. These agreements included the donation by Canada of a fisheries training vessel.

As an annex to the agreements, a plan of operation was prepared in draft form by CIDA. It included the detailed utilization of the training vessel and the modalities of the transfer of the vessel to the Colombian authorities. In June 1979, CIDA informed Colombia that it would not provide the training vessel because of the technical problems. A new version of the plan of operation was signed with Colombia in March, 1980 which excluded all references to the training vessel.

PUBLIC ARCHIVES

Question No. 877—**Mr. Cossitt:**

1. Does the government intend to move part of the Public Archives to Hull, Quebec and, if so, what are all the details?

2. Was previous information given that any such move was required for the purpose of more space and, if so, has the government considered using any vacant space not being used now or in the future by the Department of Veterans Affairs located across from the Public Archives on Wellington Street, Ottawa, and would it be government policy to consider such an approach less costly to the taxpayer and more convenient because of close location to persons making use of the Archives?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. Yes, the government has approved moving part of the Public Archives to Place du Portage IV, Hull, Québec. See question No. 13 answered July 16, 1980.

2. Yes, consideration was given to the space in the East Memorial Building on Wellington Street across from the Public Archives. This was rejected because of the age of the building and Public Archives' need for environment control. See question No. 13 tabled July 16, 1980.

MRS. GILBERTE PROTEAU

Question No. 878—**Mr. Epp:**

1. Is Mrs. Gilberte Proteau, President of the Société franco-manitobaine, employed in the Public Service and, if so, what (a) is her (i) position (ii) classification (iii) salary (b) are her duties?

2. For each year 1972 to 1980, did the *Société* receive funds from the government and, if so, what were they?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Public Service Commission and the Department of the Secretary of State are concerned:

1. (a) (i) Mrs. Gilberte Proteau is a regional officer with the office of the Commissioner of Official Languages in Winnipeg.

(ii) She is a PM-5.

(iii) The salary range for a PM-5 is $25,500-$28,756.

(b) Summary of Duties:

Under the direction of the representative of the commissioner in Winnipeg, receives complaints from civil servants and the general public, carries out investigations, meets with the public and with private organizations to inform them about the objectives of the office of the commissioner, gathers information concerning federal departments and agencies for the special studies branch, represents the office of the commissioner in the region, works with groups interested in the field of official languages.

2. Under the Official Language Minority Groups Program:

Fiscal Year	Amount
1971-1972	$128,940
1972-1973	$152,000
1973-1974	$137,000
1974-1975	$171,000
1975-1976	$176,500
1976-1977	$188,925
1977-1978	$280,000
1978-1979	$397,490
1979-1980	$457,880

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION—TRAVEL EXPENSES

Question No. 885—**Mr. Cossitt:**

1. In each of the past five years, was there a noticeable increase in the amount of travelling expenses on the part of employees of the Department of Employment and Immigration during the month of March and, if so, in each year, what was the total of all travelling expenses for the (a) month of March (b) five years?

2. Were any instructions issued verbally or otherwise to employees to use surplus money allotted for travel in the budget before the end of the March 31 fiscal year?

3. For the same years, how many persons in the month of March were on travel status from headquarters and what were their names, job designations and all the reasons that it was necessary for such persons to travel, including the cost of each trip?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. (a) and (b)

March 1978-79—$1,023,488.18

March 1979-80—$1,165,512.16

The information required to reply for the three fiscal years preceding the above is not readily available.

The above figures reflect total travel expenditures for the month of March as they appear on computer printouts. These figures preclude March travel where the claims were processed in April only. The figure may include January and February travel where the claims were processed in March.

2. No.

3. The information requested is not readily available. Files are kept in such a way that to provide an accurate reply in its entirety would entail a lengthy and costly manual examination of travel files and ledgers for each employee in the last five years. The cost in manpower and time to undertake such a large amount of work would be exorbitant.

UIC—COMPUTER TERMINALS—FRAUD

Question No. 888—**Mr. Cossitt:**

1. Since the placing on the order paper of question No. 1,327, fourth session of the Thirtieth Parliament, by the hon. member for Leeds, concerning the possibility of ways of defrauding the Unemployment Insurance Commission by the operation of certain terminal computers installed in the Ottawa area, did Mr. J. L. Manion, former deputy minister of the Department of Employment and Immigration, take any specific action?

2. Did he send a team of investigators to the Ottawa West office of the commission at Baseline and Merivale Roads and, if so (a) for what purpose and was one of the reasons to determine the easiness or otherwise of committing fraud with terminal computers (b) on what date did he give such an order (c) on what date did the investigators begin their work (d) was the investigation completed and, if so (i) on what date (ii) will the details be made public and, if so, on what date?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): 1. Certain safeguards have been set up to prevent fraud against the unemployment insurance fund by the operation of computer terminals installed in the Ottawa area. Mr. J. L. Manion, former chairman of the employment and immigration commission, directed that safeguards against computer fraud be developed.

2. No.

(a) N/A;

(b) N/A;

(c) N/A;

(d) (N/A;

(ii) N/A.

CANADIAN BUILDINGS

Question No. 889—**Mr. Flis:**

How many major Canadian buildings paid for wholly from public funds were built in 1979 and how many contracts were issued to Canadian and foreign (a) architects (b) engineers (c) designers?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as Public Works Canada is concerned:

Major Canadian buildings paid for wholly from public funds completed in 1979/80—22.

Contracts issued to Canadian

(a) architects—83

(b) engineers—163

(c) designers—6

Contracts issued to foreign (outside Canada)

(a) architects—none

(b) engineers—none

(c) designers—none

In so far as Atomic Energy of Canada Limited is concerned:

1979/80—Six

(a) None

(b) Three contracts were issued to Canadian engineering companies

(c) None

In so far as the Department of External Affairs is concerned:

Five

(1) Paris Chancery Addition (under construction)

(2) Mexico Chancery (under construction)

(3) Copenhagen Chancery

(4) Bogota Chancery (under construction)

(5) Georgetown Chancery (under construction)

(a) Architects

(1) Fiset Miler Vinois Architects (Canadian)

(2) E.J. Gaboury and Associates (Canadian)

(3) Per Gents, Architects (foreign)

(4) L. Largacha and I. Caro, Architects (foreign)

(5) George Henry and Associates (foreign)

(b) Engineers

(3) Wood Banani Engineers (Canadian)

(c) Designers

None

In so far as the Department of National Defence is concerned:

Four buildings exceeding $1M. in value were completed in 1979/80.

(a), (b) and (c). Four contracts, all engineering and all Canadian were issued in connection with the above construction.

Transport Canada advises that under the Air Transportation Program one (1) major building, consisting of a passenger transportation vehicle garage at Mirabel, Quebec, was built during the fiscal year 1979/80. The number of contracts awarded were as follows:

(a) architects: none

(b) engineers: one (1) to a Canadian firm

(c) designers: one (1) to a Canadian firm

PLANNED PARENTHOOD FEDERATION OF CANADA

Question No. 891—**Mr. Flis:**

What was the amount of federal funds given to the Planned Parenthood Federation of Canada for the years 1978 and 1979 and what portion of the funds was used for abortion referral?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Health and Welfare is concerned:

1978-1979	$600,000
1979-1980	440,000

The funds are used in accordance with the objective of the Planned Parenthood Federation of Canada to provide family planning services and information to all Canadians requesting these services.

In so far as the Canadian International Development Agency is concerned:

1978-1979	$59,655
1979-1980	52,004

No portion of the funds was used for abortion referral.

RADIOACTIVE WASTE SHIPMENTS

Question No. 893—**Mr. Cossitt:**

1. Is the government aware that the Ogdensburg Bridge and Port Authority has banned shipments of radioactive materials crossing from Canada to the United States via the Prescott—Ogdensburg Bridge and also that some time ago the Thousand Islands Bridge Authority at Ivy Lea, Ontario in the constituency of Leeds-Grenville took the same action and, if so, is it prepared to call a halt to the shipment of nuclear waste to the United States from the Chalk River nuclear installation until a thorough review of waste disposal has taken place?

2. Did Atomic Energy of Canada Ltd. use the international bridge at Cornwall, Ontario at any time for carrying such goods to the United States and, if so, is this still the practice?

3. Is the government aware of a statement made by Mr. James McGuiness, executive director of the Ogdensburg Bridge and Port Authority that "we're simply not prepared to handle a nuclear spill" and, if so, what is the government's policy in regard to the statement?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Atomic Energy Control Board and Atomic Energy of Canada Limited report as follows:

1. The government has been advised by AECB and AECL that they are aware of the ban imposed by the Ogdensburg Bridge and Port Authority on the passage of certain types of radioactive material over the Ogdensburg Bridge effective July 24, 1980. This ban does not affect shipments of all radioactive materials but is specific to reactor fuels. This includes fresh uranium fuel as well as fuel which has been irradiated in a reactor and, therefore, contains waste material resulting from the nuclear fission process but in combination with recoverable and reusable material. AECL intends to continue the transportation of spent fuel from the Chalk River nuclear laboratories to the Savannah River plant of the U.S. department of energy in South Carolina as long as the current fueling arrangement is used for the research reactors at Chalk River.

The Thousand Islands Bridge Authority at Ivy Lea has not banned the shipment of radioactive material across that bridge. The authority has required for several years that shipments of all dangerous goods across that bridge are subject to obtaining a permit beforehand.

2. The international bridge at Cornwall may have been used and may in the future be used for radioactive shipments. However, the routes for the shipment of the irradiated fuel from Chalk River to the U.S. processing plant are not made public.

3. AECL advises that its shipping contractor in the U.S.A. has had discussions with Mr. McGuinness on this matter. In Canada, the agency having jurisdiction over the use of a highway or bridge would not be expected to be responsible for cleaning up any accidental spill. If such an event were to occur with the shipments in question, it would be the responsibility of the shipper to handle the situation to the satisfaction of AECB in collaboration with health and environmental agencies.

NAC—PERFORMING ARTS PROGRAM

Question No. 900—**Mr. Clarke:**

1. Did the deficit of the Performing Arts Program increase by 27 per cent over the last year and, if so, how many National Arts Centre orchestra performances were there during the fiscal year 1978-79?

2. (a) What percentage of the performances were for subscription concerts (b) how many different series were there (c) for each series (i) what was the percentage subscribed (ii) was there an equivalent in the previous year and, if so, how did the subscription rate compare with the previous year's subscription?

3. What percentage of the non-subscription orchestra performances enjoyed less than (a) 75 per cent (b) 50 per cent attendance?

4. Does the opera performance hall have a potential of eight performance blocks per week, including seven evenings and one matinee per week and, if so, during how many of the 416 potential performing blocks was the (a) hall (b) theatre (c) studio not used?

5. For the (a) English (b) French theatre company and for each series, what (i) percentage of subscription sales were enjoyed (ii) was the average percentage attendance for each performance?

6. How many other subscriptions series were there and for each series, what (a) were they called (b) were their rates of subscription (c) was the average percentage of attendance?

7. Since the corporation has nearly 12 years of experience, could the current deficit in the Performing Arts Program be reduced by increased non-subscription use of the facilities?

8. Has the management of the corporation undertaken steps to ensure that the deficit of the Performing Arts Program is reduced, rather than increased, during the current fiscal year and, if so, what are such steps?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Arts Centre Corporation as follows:

1. No. The Performing Arts Program deficit increased in 1979/80 by 4 per cent over the previous year i.e. at a rate lower than that of inflation.

2. (a) 60 per cent of concerts were on subscription.

(b) (i) seven
(ii)

	1979/80 Season	1978/79 Season
Tuesday series	69.0 per cent	88.9 per cent
Mini series	51.8 per cent	65.2 per cent
Student series	61.2 per cent	73.0 per cent
Thursday A	74.3 per cent	63.9 per cent
Thursday B	74.2 per cent	81.5 per cent
Family Pops	88.1 per cent	No equivalent
Young people's	60.7 per cent	No equivalent

3. (a) 27.5 per cent of non-subscription concerts attracted less than 75 per cent attendance.

(b) 3.5 per cent of non-subscription concerts attracted less than 50 per cent attendance.

4. The number of performances per week possible in any theatre is limited by:

(a) preparation, rehearsal and performance time

(b) union regulation

(c) cost (e.g. double time on Sunday and some holidays)

(d) audience acceptance of timing (e.g. mid-week matinées)

(e) audience availability for specific presentations

(f) budgetary restrictions

(g) the interaction of the above.

Experience has shown that the maximum number of performances that can be expected per week in the opera is seven, and in the theatre and studio 7.5. The annual average, however, is reduced by necessary maintenance time (three weeks for each house), rehearsal time for the July festival (three weeks) and for the resident theatre company's rehearsal (theatre nine weeks and studio six weeks). Usage for fiscal 78/79 is as shown below compared with potential:

	Potential	Performance Usage	per cent
Opera	322	278	86.3 per cent
Theatre	278	254	91.3 per cent
Studio	300	258	86.0 per cent

5. (a) English (i) 49.2 per cent French (i) 52.7 per cent
(ii) 73.8 per cent (ii) 74.6 per cent

6. There were seven other series.

(a) Name	(b) Subscription Sale per cent	(c) Average per cent attendance
Music for a Sunday Afternoon	52.4 per cent	74.1 per cent
The Masters	73.6 per cent	99.8 per cent
Premiere concerts	34.4 per cent	70.0 per cent
Musical Show series	32.8 per cent	96.8 per cent
Dance Showcase series	53.2 per cent	81.9 per cent
Opera series	30.6 per cent	83.8 per cent
Chamber Music series	39.2 per cent	54.1 per cent

7. No. Over 50 per cent of the events and well over 60 per cent of the tickets offered by the centre are non-subscription and that balance appears very acceptable to the audience. The subscription system guarantees an audience and so reduces the risk of loss particularly upon the introduction of the audience to new or little-known Canadian plays and compositions.

8. Yes. The deficit is nevertheless expected to increase in terms of dollars but to decrease as a percentage of total grant. Ticket prices have been increased by between 10 per cent and 23 per cent; improved sales techniques are being introduced and cost-reduction methods implemented.

FUNDS FOR EDUCATION OF INDIAN CHILDREN

Question No. 905—**Mr. Greenaway:**

1. Since 1975 to date, by year and by province, which departments allocated funds for the education of Indian children and, in each case (a) what was the amount (b) what amount was applied to students living (i) on (ii) off reserves?

2. For the same years, in the province of British Columbia, what was the break-down of the totals by Indian band?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) and (b)(i)

Please see the chart below of education expenditures for each region.

Each region has defined "on-reserve" to include Crown lands.

Post-secondary and capital expenditures have been excluded from calculations.

(b) (ii) Extensive and lengthly research would be required to accurately determine education funds spent on Indian children living off-reserve. In any case, the amount is minimal—significantly less than 1 per cent in all regions.

2. A breakdown of education expenditures for each of the 195 bands in British Columbia is not available.

Expenditures by Province

Indian Education

	1975-76	1976-77	1977-78	1978-79	1979-80
Prince Edward Island	$ 178,669	$ 246,078	$ 314,381	$ 334,878	$ 346,343
New Brunswick	2,203,166	2,770,354	3,161,139	3,260,031	3,031,377
Nova Scotia	1,820,491	2,768,828	2,454,835	3,599,493	3,321,231
Quebec	19,214,400	24,095,700	25,092,400	27,537,900	31,021,800
Ontario	23,692,100	27,171,500	30,839,000	34,631,100	36,354,000
Manitoba	18.572,472	22,018,730	26,880,810	32,767,475	33,521,600
Saskatchewan	16,502,000	16,708,000	19,329,700	23,338,600	27,067,500
Alberta	18,020,074	22,991,176	24,017,324	26,768,320	28,767,465
British Columbia	22,181,000	26,074,000	27,724,000	29,211,000	31,058,000
Yukon Territory	154,500	574,000	592,000	700,800	693,000
Northwest Territories	—	—	—	—	—

PETRO-CANADA

Question No. 912—**Mr. Herbert:**

For each year since the inception of Petro-Canada, what was the total of (a) direct or indirect subsidies or other benefits conferred by the government on the corporation (b) loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

(a) and (b) None

(c)

	Cash Subscription of Shares	Transfer of Interest in Investments in Return for Shares
	($ Millions)	
1976	210.0	173.8
1977	154.5	—
1978	239.5	—
1979	146.0	—
1980	80.0	—

Question No. 913—**Mr. Herbert:**

1. What was the originally (a) authorized (b) issued capital of Petro-Canada Industries Inc.?

2. For the fiscal year (a) 1979 (b) 1980, what was the total revenue and net earnings or deficits of the company?

3. What is the present (a) retained earnings (b) shareholders' equity in the company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) One class of common shares (no maximum or minimum number);

(b) One share issued to Petro-Canada.

2. (a) and (b) Petro-Canada Industries was a wholly-owned subsidiary of Petro-Canada and its accounts were fully consolidated with those of the parent corporation.

3. Petro-Canada Industries Inc. was amalgamated into Petro-Canada Exploration Inc. on January 1, 1980.

Question No. 914—**Mr. Herbert:**

1. What was the originally (a) authorized (b) issued capital of Petro-Canada Inc.?

2. For the fiscal year (a) 1979 (b) 1980, what was the total revenue and net earnings or deficits of the company?

3. What is the present (a) retained earnings (b) shareholders' equity in the Company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) One class of common shares (no maximum or minimum number);

(b) One share issued to Petro-Canada.

2. Petro-Canada Inc. was a wholly-owned subsidiary of Petro-Canada and its accounts were fully consolidated with those of the parent corporation.

3. Petro-Canada Inc. was amalgamated into Petro-Canada Exploration Inc. on January 1, 1980.

Question No. 915—**Mr. Herbert:**

1. What was the originally (a) authorized (b) issued capital of Petro-Canada Consulting Corporation?

2. For the fiscal year (a) 1979 (b) 1980, what was the total revenue and net earnings or deficits of the company?

3. What is the present (a) retained earnings (b) shareholders' equity in the company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) One class of common shares (no maximum or minimum number);

(b) One share issued to Petro-Canada.

2 and 3. Petro-Canada Consulting Corporation is a wholly-owned subsidiary of Petro-Canada and its accounts are fully consolidated with those of the parent corporation.

Question No. 916—**Mr. Herbert:**

1. What was the originally (a) authorized (b) issued capital of Petro-Canada Exploration Inc.?

2. For the fiscal year (a) 1979 (b) 1980, what was the total revenue and net earnings or deficits of the company?

3. What is the present (a) retained earnings (b) shareholders' equity in the company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) Common and preferred shares (no maximum or minimum number);

(b) 235,000 common shares issued to Petro-Canada.

2 and 3. Petro-Canada Exploration Inc. is a wholly-owned subsidiary of Petro-Canada and its accounts are fully consolidated with those of the parent corporation.

CANADA DEVELOPMENT CORPORATION

Question No. 918—**Mr. Herbert:**

1. What was the date of purchase of Petrosar Limited by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Question No. 919—**Mr. Herbert:**

1. What was the date of purchase of CDC Oil and Gas Limited by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Question No. 920—**Mr. Herbert:**

1. What was the date of purchase of AES Data Limited by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Question No. 921—**Mr. Herbert:**

1. What was the date of purchase of CDC Life Sciences Inc. by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Question No. 922—**Mr. Herbert:**

1. What was the date of purchase of Texasgulf Inc. by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Question No. 923—**Mr. Herbert:**

1. What was the date of purchase of Ventek Limited by the Canada Development Corporation?

2. What was the (a) authorized (b) issued capital at the time of purchase and, in each case, has there been any change?

3. Was all of the stock of the company purchased and, if not, what was the percentage and has this changed since the time of purchase?

4. What is the present retained earnings in the company?

Hon. Pierre Bussières (Minister of State (Finance)): In response to questions 918 to 923 inclusive, concerning subsidiaries of the Canada Development Corporation, it should be noted that the Canada Development Corporation is a corporation in which the Government of Canada, along with more than 20,000 other shareholders, holds an equity interest. Canada Development Corporation is neither a Crown corporation nor an agent of Her Majesty and the government does not have any official knowledge of the corporation or its subsidiaries which is not publicly available from the corporate secretary.

CAPITAL COST OF MONTREAL MUSEUM OF FINE ART AND ONTARIO ART GALLERY

Question No. 925—**Miss Carney:**

1. What was the amount contributed by the government to the capital cost of the Montreal Museum of Fine Art and the Ontario Art Gallery in 1980 dollars?

2. What was the total percentage of funds pledged by the provincial and municipal governments as well as all private donations for each project?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Department of the Secretary of State:

1. Secretary of State contributed $2,750,000 in capital assistance to the Montreal Museum of Fine Art ($5,932,500 in 1980 dollars) as follows:

Fiscal Year	Amount
1972 - 73	$ 1,250,000
1973 - 74	1,000,000
1974 - 75	500,000

Secretary of State has not contributed to the capital cost of the Ontario Art Gallery.

National Museums of Canada:

1. The Museum Assistance Program of the National Museums of Canada contributed $250,000 to the expansion and renovation project of the Musée des Beaux-arts de Montréal in 1972; that is $489,504 in 1980 dollars.

The Museum Assistance Program of the National Museums of Canada contributed $4 million to the expansion project of the Art Gallery of Ontario in 1975; that is $5,926,354 in 1980 dollars.

2. Records indicate that the province of Quebec contributed 8 per cent of the cost of the Musée des Beaux-arts de Montréal expansion, while the private sector contributed 61 per cent. There is no report of municipal contribution in their records.

Records also indicate that the province of Ontario contributed 59 per cent to the expansion project of the Art Gallery of Ontario, while the private sector contributed 23 per cent. There is no indication of municipal contribution in the files.

The figures given for the Art Gallery of Ontario pertain to phases I and II of a three-phase expansion, the third phase has not yet been undertaken.

1979 SURVEY ON CONSUMERS FINANCE

Question No. 938—**Mr. MacKay:**

With reference to Statistics Canada's 1979 Survey of Consumer Finances, was the survey rescheduled from May to June due to the May 1979 federal election?

Hon. J.-J. Blais (Minister of Supply and Services): The 1979 survey of Consumer Finances was rescheduled from May to June to avoid any possible impact on response rates due to a federal election campaign.

STATISTICS CANADA—REGIONAL OFFICE REGINA-WINNIPEG

Question No. 939—**Mr. MacKay:**

With reference to the Statistics Canada regional office in Regina, does it plan to transfer the office to Winnipeg and, if so (a) what effect will this have on the agency's user services and information gathering activities in Saskatchewan (b) how many employees does the agency plan to have in Saskatchewan as of December 31, 1980?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports:

> There is not a Statistics Canada regional office in Regina, but rather a small advisory services office that functions under the management of the Winnipeg regional office. The regional office also includes an agricultural officer.
>
> Statistics Canada does plan to transfer one agricultural officer from Regina to Winnipeg to improve monitoring of prairie agricultural statistics.

(a) This transfer will not reduce the agency's information-gathering activities in Saskatchewan. The effect on user services is anticipated to be minimum. Arrangements are being made to provide additional agriculture statistics service to users in Saskatchewan from the Winnipeg office.

(b) Statistics Canada plans to have two employees in the Regina office as of December 31, 1980.

MR. CYRIL HODGINS—STUDY—ECONOMIC STATISTICS

Question No. 942—**Mr. MacKay:**

With reference to Statistics Canada's system of national accounts, what were the findings of Mr. Cyril Hodgins, the independent consultant commissioned to study the statistical and estimation problems in calculating the rate of economic growth in Canada since 1971, with particular reference to the uses of economic statistics by key users?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports:

The findings of Mr. Cyril Hodgins, the independant consultant commissioned to study the statistical and estimation problems in calculating the rate of economic growth in Canada since 1971 with particular reference to the uses of economic statistics by key users are summarized as follows to quote from his report:

"To sum up, in this section the evolution of national accounts data quality and data timeliness issues during the 1970s was reviewed. Throughout that time, the quarterly national accounts were released approximately eight weeks following the quarter's end as compared to about 12 weeks during the preceding decade. The preliminary GNP accounts in the 1970's were characterized by larger and more frequent revisions than they were in the 1960s.

The early part of the decade witnessed a mushrooming of demands for more economic statistics to meet the empirical research demands of computer-based quantitative analysis. Ambitious attempts were being made to construct econometric models which described the patterns of economic interdependence throughout the economy. The quality of disaggregated GNP accounts component series came under close scrutiny as the hypotheses suggested by economic theory were rigorously being subjected to sophisticated empirical testing. The uses to which the accounts data were being applied frequently went well beyond any uses envisaged by those who developed the original conceptual and methodological frameworks for the data's derivation. The proliferation of tabular displays and analytical summaries grounded out by computers and rounded off to the nearest decimal point gave the numbers an appearance of precision well beyond the original understanding of the GNP accounts as "ambiguous measures of economic phenomena".

Through developing its own in-house analytical capability, and through encouraging open dialogue with its principal users, the bureau sought to enhance the quality of the judgements that invariably must be made in the absence of less than complete information, in part because of more timely release. The goal was to achieve a more stable and consistent set of GNP accounts estimates in spite of the fact that more rapid inflation and food and energy price shocks were making the economy a more complicated and probably more unstable target to size up.

Problems for users resulted from the size, frequency and irregularity of GNP accounts revisions. The problems of data reliability were the focus of considerable Statcan attention. Canada was not alone in the international community in this experience. The reliability and timeliness of GNP accounts was a subject addressed a number of times at various international conferences by professional statisticians, including, at various times, representatives from Statcan.

The tarnished record of economic performance throughout the industrialized world during the 1970s prompted widespread reconsideration of many earlier widely-held notions about economic management. In general, evidence mounted in a favour of more stable, longer-term oriented use of fiscal and monetary instruments. The Bank of Canada moved toward tighter management of the growth of the money supply within a specified target range. The Lambert Commission on financial management and accountability recommended the development and use of a medium-term fiscal plan in the formulation and implementation of budgetary policy.

The evolution of ideas about appropriate economic management could have important implications for the measurement of economic activity. In assessing the adequacy of the GNP accounts, the criteria to be used must be derived from the

basic approach to economic management that is adopted. With monetary and fiscal policy formulation cast in a stable, longer-term context. The chances for unwarranted actions, whether caused by misleading signals or not, greatly lessened."

STATISTICS CANADA—GOVERNMENT EXPENDITURES

Question No. 947—**Mr. MacKay:**

1. For the fiscal year (a) 1978-79 (b) 1979-80, what was the total number of person-years employed by (i) the government (ii) Statistics Canada in statistical activities?

2. For the same years, what was the total expenditure of (a) the government (b) Statistics Canada for the same purposes?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Treasury Board and Statistics Canada as follows:

1. (i) (a) and (b) Information on the total number of person-years authorized for "statistical activities" in agencies other than Statistics Canada is not available. Although federal agencies other than Statistics Canada do maintain socioeconomic data, statistical use is, in most cases, incidental to the main purpose for collecting the data—the administratioin of departmental programs—for which person-years are authorized.

(ii) Statistics Canada for the fiscal year:

(a) 1978-79: 4819

(b) 1979-80: 4343

2. (a) The costs of statistical activities in all federal departments and agencies, except Statistics Canada, are not available since statistical activities are not identified as a specific line object in the financial reporting system.

(b) Statistics Canada:

1978-79: $119,691,00

1979-80: $110,600,000

RETIREMENT OF AIRLINE PILOTS

Question No. 953—**Mr. Flis:**

1. Are airline pilots employed by Air Canada forced to retire at age 60 and are pilots employed by Nordair employed until age 65 and, if so, for what reason are Air Canada pilots forced to retire at 60?

2. What are, if any, the mental and physical health standards for each airline?

3. Were any pilots forced to retire at age 60 by Air Canada re-employed by Nordair until 65 within the past five years and, if so, how many?

4. Have any steps or considerations been taken by the Department of Transport to extend the manditory retirement age of Air Canada pilots to age 65 providing that they pass all of the mental and physical health requirements?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows:

1. The mandatory retirement age for Air Canada pilots is 60 years. As a member of the International Air Transport Association, Air Canada conforms to that association's recommended retirement age of 60 years, in common with virtually all North American scheduled airlines.

2. Air Canada's mental and physical standards for employed pilots are no more restrictive than Transport Canada's own licensing standards.

3 and 4. To be answered elsewhere.

The management of Nordair advises as follows: 1 and 2. The retirement age for Nordair pilots, in accordance with the company's agreement with the Canadian Airline Pilots Association, is 60. However, the agreement provides for a retirement age of 65 for a number of pilots who will not have served 25 years before their 60th birthdays. Approximately 12 Nordair pilots fall into this category and they will, therefore, be retired when they have served 25 years or reach the age of 65, whichever comes first. The cut off point for this feature of the contract is December, 1984, after which 60 will be the retirement age for all pilots.

3. No former Air Canada pilots of any age have been hired by Nordair within the past five years.

4. To be answered elsewhere.

Transport Canada advises as follows: 1, 2 and 3. To be answered elsewhere.

4. Transport Canada has no retirement age for pilots. The only age requirement is the minimum age of 21 for the initial issue of the senior commercial or airline transport pilot licences required by Air Canada pilots.

Once he has been issued the licence the pilot can continue to hold it and exercise the privileges of the licence providing he can continue to meet the medical standards and pass the periodic flight tests to demonstrate his competency.

Air Canada like any other airline, or employer for that matter, sets its own conditions of employment, which includes retirement age. Transport Canada has no jurisdiction in such matters. Our responsibility is to ensure that their crews are properly licensed and meet the required standards.

PUBLIC WORKS PROJECTS—PEMBINA, ALBERTA

Question No. 959—**Mr. Elzinga:**

1. Since 1974, did the Department of Public Works finance projects in the constituency of Pembina and, if so, in each case, what was the (a) name of the project (b) total cost (c) total contribution by the government?

2. Is the department planning projects in the near future and, if so, in each case, what is the (a) nature of the project (b) estimated amount to be spent by the government?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. Yes

(a), (b), (c)—see list below.

2. Yes

(a), (b)—see list below.

Projects in the Constituency of Pembina, Alberta
1974/75 to 1980/81
Public Works Canada

1 and 2(a)	1(b)	1(c) Government Expenditures						2(b) Estimated Government Forecast
Name/Nature of Project Location/Description	Total Project Cost	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81
Ardrossan								
New Post Office	$ 90,488	–	–	–	–	$77,842	$12,846	–
Barrhead[1]								
Federal building alterations	39,638	–	$39,638	–	–	–	–	–
Gibbons								
New Post Office	111,472	$62,468	49,004	–	–	–	–	–
Morinville								
Post Office addition	232,906	–	1,165	$345	$231,356	40	–	–
Projects under $5,000	2,694	–	–	–	78	2,616	–	–
Total Public Works Canada	$477,198	$62,468	$89,807	$345	$231,434	$80,498	$12,846	Nil

[1]Was Pembina—Now Yellowhead.

Projects in the Constituency of Pembina, Alberta
1974/75 to 1980/81
Other Government Departments

1 and 2(a)	1(b)	1(c) Government Expenditures						2(b) Estimated Government Forecast
Name/Nature of Project Location/Description	Total Project Cost	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81
Boyle[1]								
Royal Canadian Mounted Police detachment	$ 490,160	–	$ 318	$ 6,376	$ 260,475	$ 222,882	$ 109	–
Morinville								
Royal Canadian Mounted Police detachment	32,976	–	–	24,934	17	25	362	$ 32,000
Twin Lakes[2]								
Railroad shelter	8,316	–	–	8,226	90	–	–	–
Villeneuve[3]								
Boundary survey	3,743	–	–	2,418	713	612	–	–
Edmonton								
–Maximum security institute	15,550,000	$23,187	108,702	2,402,737	10,489,614	2,225,770	129,563	170,427
–Security upgrading	214,000					34,119	141,429	38,452
–Gate house expansion								
–Improvement exterior yard lighting	125,000						9,000	116,000
–Expansion of facilities	9,992,000							109,000
–Outdoor shooting range	220,000							220,000
	$26,636,195	$23,187	$109,020	$2,444,691	$10,750,909	$2,483,408	$280,463	$685,879

[1]Was in old constituency of Pembina—Now in constituency of Athabasca
[2]Was in old constituency of Pembina—Now in constituency of Yellowhead
[3]Was in old constituency of Yellowhead—Now in constituency of Pembina

PROJECTS IN PEMBINA, ALBERTA

Question No. 960—**Mr. Elzinga:**

1. Since 1974, did the Department of Transport finance projects in the constituency of Pembina and, if so, in each case, what was the (a) name of the project (b) total cost (c) total contribution by the government?

2. Is the department planning projects in the near future and, if so, in each case, what is the (a) nature of the project (b) estimated amount to be spent by the government?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Yes as follows:

(a) Project Name	(b) Total Cost	(c) Total Contribution by Government
	(in thousands of dollars)	
Air Transportation Program		
Villeneuve Airport		
Install transportable tower S1W419-001 (1976/77)	22.0	22.0
Airport development including land acquisition, runway, taxiway, roads and maintenance garage S1-W419-0001	3,370.7	3,370.7
Sewage lagoon and force main serving airport and municipality	264.5	170.0
Crosswind runway S1-W419-0010	259.1	259.1
Mobile equipment purchase S1-W419-0011	41.1	41.1
Relocate trailer units S1-W419-0019	24.4	24.4
Fencing S1-W419-0020	26.1	26.1
Road gravelling S1-W419-0024	15.5	15.5
Installation and equipping (1975/76)	9.2	9.2
ATC transportable tower (1976/77) S2-W100-0207	8.6	8.6
Annex to control power S2-W419-0001 (9176/77)	58.4	58.4
Modifying and refurbishing second floor area of control tower S2-W100-0051 (1979/80)	2.1	2.1
Namao		
Provision of consoles and radar equipment for terminal radar services area S2-W100-0225 (1978/79)	4.9	4.9
Surface Transportation Program		
Prairie provinces highway strengthening program	1,506.2	898.9
Canadian National Athabasca subdivision mile 20.3-93.1 (a) bank widening and drainage	688.0	688.0
(b) bridges	500.0	500.0
Northern Alberta Railway Barrhead subdivision mile 0.00-26.51		
(a) ballasting ties, banks widening and drainage	900.0	900.0

2. Yes as follows:

(a) Nature of Project	(b) Estimated Amount to be Spent by Government
	(in thousands of dollars)
Air Transportation Program	
Villeneuve Airport	
Install VHF/DF S2-W419-0016 (1981/82)	103.5
Air traffic control tower including taxis and roads S1-W419-0004	1,690.8
Fencing S1-W419-0002	42.1
Seeding S1-W419-0007	35.6
Permament control tower (1980/81)	1,400.0
Surface Transportation Program	
Canadian National Athabaska subdivision mile 20.3-93.1	
(a) bank widening and drainage	688.0
(b) bridges	1,219.0
Northern Alberta Railway Barrhead subdivision mile 0.00 to 26.51	
(a) ditching and bank widening	192.6
(b) ballasting	262.2
(c) rail relay	3,294.5
(d) surfacing after rail relay	188.3

NOTE: The rail subdivisions are not entirely within the bounds of the constituency of Pembina as they go beyond.

DND PROJECTS IN PEMBINA, ALBERTA

Question No. 961—**Mr. Elzinga:**

1. Since 1974, did the Department of National Defence finance projects in the constituency of Pembina and, if so, in each case, what was the (a) name of the project (b) total cost (c) total contribution by the government?

2. Is the department planning projects in the near future and, if so, in each case, what is the (a) nature of the project (b) estimated amount to be spent by the government?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes. See list below.

2. Yes. See list below.

DND Financed Construction and Maintenance Projects Since 1974

In the constituency of Pembina-Canadian Forces Base, Edmonton

Name of Project	Total Cost
Jan-March 75	
Renovation to standby power for runway	$49,006
Addition to in-flight feeding kitchen	302,836
Roof replacement, buildings 201 and 204 Lancaster Park (L.P.)	39,042
Roof repairs, buildings 197 and 304	84,566
Frost protection hangar 3	30,313
	$505,763
1975-76	
Replace watermains buildings 238	72,083
Reshingle married quarters roofs	35,872
Replace privacy fences-row housing	67,896
Repair wiring/replace fixtures various MQs	8,028
Interior painting MQs	44,898
Improve attic insulation, MQs	25,634
Construct 106 MQs	4,384,493
Extension to hangar 5	175,562
Fire hall extension	42,878
P.O.L. warehouse and office	148,325
Roof repairs/recoating 7 Canada Forces Supply depot (C.F.S.D.)	215,667
Post tensioning wood trusses/modify canopies, hangars 3 and 4	82,860
Replace prime windows MQs	107,828
	$5,412,024
1976-77	
New sub-station MQ area	23,218
construct sidewalks L.P.	38,748
Modification to V.A.S.I.S. units	25,850
Replace prime windows L.P.	127,116
Reshingle various MQ roofs L.P.	33,045
Reinsulate MQs—Griesbach and L.P.	54,490
Supply/install metal siding- MQs	266,500
Rebuild roads L.P.	56,429
Replace concrete driveway	25,947
Replace wiring MQ kitchens L.P.	37,735
Improve lighting No. 7 C.F.S.D.	98,283
Ceramic tiles/showers MQ bathrooms	256,980
Contol tower extension	119,010
Replace prime windows MQs L.P.	226,633
Interior painting MQs L.P.	96,831
Exterior painting various buildings	65,000
Roof replacement various buildings	153,198
Rehabilitate airfield surface	184,222
	$ 1,889,235
1977-78	
Addition to Guthrie School L.P.	$ 333,206
Regrade/resurface MQ driveways	110,418
Construct sidewalks, Griesbach/L.P.	45,100
Improve ventilation D2 Griesbach/L.P.	35,561
Interior painting MQs L.P.	116,374
Reroof building 130 L.P.	48,528
Remove paint build-up, runway 11-29	21,708
Replace power line poles	51,924
Crack sealing airfield pavement	63,000
Replace roof, east side hangar 4	31,297
Repair manholes, steam lines L.P.	58,735
Replace boiler building 42	35,721
Install meters MQs L.P.	95,630
Install meters MQs Griesbach	88,617
Construct quadradar installation	15,455
Fire alarm system, control tower	10,945
Extend/modify MQ parking lots	238,253
Hangar 3 extension	152,325
Radiac instrument building	61,257
Modify central heating plant boiler controls	282,185
Install fans hangar 3 and 4	23,898
Reroof hangar No. 5	585,883
Replace expansion loops, heating system	51,456
Repair towveyor system 7 C.F.S.D.	138,485
Interior painting MQs L.P.	42,026
Supply/install attic insulation MQs	49,705
Renovate office lean to accomm. hangars 3	246,196
	$ 3,033,888
1978-79	
Install humidifiers various MQs	46,297
Modify 435 Sqdn operations area, hangar 5	65,150
Renovate base photo facility	138,765
Construct non-destructive testing facility	75,688
Renovate base operations area hangar 5	63,424
Install fire exits, combined mess	42,962
Renovations to ground equipment support shop	25,186
Exterior painting 311 MQs L.P.	122,000
Crack sealing runways	16,703
Reinsulate MQs	32,227
Heating and ventilation system 7 C.F.S.D.	117,077
Partial reroofing building 120	92,561
Replace concrete tarmac building 205	37,451
Asphalt overlay various roads	85,196
Interior repainting 55 MQs	24,964
Repair ramps hangar 5	35,335
Upgrade wiring various barrack blocks	16,258
	$ 1,037,244
1979-80	
Renovate/modify/construction building D3	$ 69,723
Aircraft mock-ups building D3	30,642
Crack sealing runways	25,001
Exterior painting various MQs	178,967
Replace unit heaters hangars 3 and 4	49,069
Replace Boiler and catwalk HMCS *Nonsuch*	61,763
Reshingle MQ roofs	74,871
Interior painting MQs	58,578
Replace windows MQs	79,900
	$ 628,514

DND Financed Construction and Maintenance projects planned for 1980/81 in Constituency of Pembina—Canadian Forces Base Edmonton

Nature of Project	Estimated Cost
Re-roofing various buildings	$147,000
Re-surface asphalt with concrete building 188	175,000
Replace fluorescent lighting hangar 5	72,000
Renovations for HMCS *Nonsuch*	187,000
Improve fire protection various barrack blocks	110,000
Servicing extension hangar 2	98,000
Install exhaust system building 301	35,000
Diesel mechanic training facility	50,000
Renovate base hospital	208,000
Improve lighting 7 C.F.S.D.	225,000
Renovate "C" type kitchens	250,000
Install Internal fire alarm system	27,000
Reshingle roofs MQs	153,000
Upgrade tarmac	250,000
Modernize hangar 5 elevators	100,000
Replace windows MQs, phase 2	196,000
Interior painting MQs	134,000
Heating/ventilation hangars, south side	144,000
Upgrade windows various barrack blocks	67,000
Upgrade electrical wiring MQs	315,000
Water supply/Fire protection	778,000
Relocate CFSAT	110,000
	$3,831,000

NEW HORIZONS—PEMBINA, ALBERTA

Question No. 962—**Mr. Elzinga:**

1. What was the amount spent in the Constituency of Pembina by the New Horizons Program in (a) 1974 (b) 1975 (c) 1976 (d) 1977 (e) 1978 (f) 1979 and, in each case, what was the (i) name of the project (ii) total contribution by the government?

2. Are there any projects planned for the near future and, if so, what is the (a) name of the project (b) estimated amount to be spent by the government?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. The amount, (i) name of project and (ii) total contribution by the government spent in the Constituency of Pembina by the New Horizons Program in (a) 1974 (b) 1975 (c) 1976 (d) 1977 (e) 1978 and (f) 1979 are as follows:

Project	(i) Name of Project	(ii) Total Contribution
1973-1974		
8-00082	Athabasca and District Senior Citizens Society, Athabasca	$ 21,099.
89	The Last Round Up, Gibbons	1,604.
140	Garden Senior Citizens' Club, Ardrossan	5,152.
144	Club 60 Roses, Legal	10,615.
Total		$ 38,470.
1974-1975		
8-00181	Boyle and District Senior Citizens Club, Boyle	$ 8,928.
218	Bruderheim Senior Citizens Club, Bruderheim	12,804.
234	Mayerthorpe Friendship Club, Mayerthorpe	14,313.
240	Sherwood Oaks Senior Citizens Association, Sherwood Park	9,753.
250	Friends of the Fort Saskatchewan Prison Library, Fort Saskatchewan	1,050.
Total		$ 46,848.
1975-1976		
8-00241	Pioneer House Club 50, Fort Saskatchewan	$ 8,954.
266	Redwater and District Pioneer Club, Redwater	21,002.
275	Boyle Senior Citizens Association New Horizons Board, Boyle	5,827.
310	Friends of the Fort Saskatchewan Historical Society, Fort Saskatchewan	12,401.
Total		$ 48,184.
1976-1977		
8-00352	Westlock Community Thrift Shop, Westlock	$ 4,931.
353	Senior Citizens Drop-in Centre, Westlock	12,121.
412	Bon Accord Golden Gems Club, Bon Accord	13,347.
436	The Last Round-Up Senior Citizens Group, Gibbons	8,739.
Total		$ 39,138.

Project	(i) Name of Projects	(ii) Total Contribution
1977-1978		
8-00451	Morinville Senior Citizens Rendez-Vous Club, Morinville	$ 6,507.
454	Thorhill Golden Age Drop-In Centre, Thorhild	16,740.
484	Barrhead and District Senior Citizens Society, Barrhead	16,086.
495	Friends of the Fort Saskatchewan Historial Museum, Fort Saskatchewan	11,154.
506	Strathcona Area 5 Senior Citizens Club, Fort Saskatchewan	11,649.
509	Colinton Seniors Club, Colinton	9,856.
538	Jubilee Third Age Club, Barrhead	6,390.
Total		$ 78,382.
1978-1979		
8-00557	The Fort's Old-Timers Association, Fort Saskatchewan	$ 6,247.
603	Senior Citizens Choir, St. Albert	2,360.
639	St. Albert Senior Citizens, St. Albert	2,917.
646	Radway and District New Horizons Club, Radway	5,893.
Total		$ 17,417.
1979-1980		
8-00737	Garden Senior Citizens Club, Ardrossan	$ 6,379.
740	Heritage Place Lodge Club for Senior Citizens, Morinville	4,906.
756	Parkview Happy Gang, Westlock	4,534.
A 778	Redwater and District Pioneer Club, Redwater	4,510.
784	Josephburg Ladies Aid, Fort Saskatchewan	1,125.
Total		$ 21,454.

Total contribution : $ 289,893.

2. There are three projects in process:

(a) Name of Project	(b) $ amount requested
Fawcett History Book Club, Fawcett	$ 2,035.00
Club 60 Roses, Legal	2,425.00
Morinville History Book, Morinville	3,000.00

DSS—EMERGENCY SUPPLY PLANNING BRANCH

Question No. 965—**Mr. Wenman:**

Is there any Emergency Supply Planning Branch within the Department of Supply and Services and, if so (a) where is it located (b) what is the size of its staff (c) has it been disbanded and, if so, under whose authority?

Hon. J.-J. Blais (Minister of Supply and Services): There is no longer an Emergency Supply Division within the Department of Supply and Services.

(a) not applicable;

(b) not applicable;

(c) The Emergency Supply Planning Division (ESPD), formerly with security branch, was disbanded on December 31, 1978.

Following a cabinet decision, in July, 1978, regarding reductions in government expenditures, the then minister of the department of supply and services, the Hon. J. P. Goyer informed the president of the treasury board, the Hon. Robert Andras, of his plan to eliminate the ESPD. This recommendation was approved by cabinet in September, 1978.

SALES TAX REBATE ON BUILDING MATERIALS

Question No. 966—**Mr. Halliday:**

Does the government rebate or in any other way forego the excise tax on building materials used in (a) hospital construction (b) school construction (c) any other types of construction and, if so (i) in what types (ii) what is the average amount of tax rebated over the past five years and what is the estimated administrative cost per annum to the government?

Hon. William Rompkey (Minister of National Revenue):

(a) Yes, when the hospital has been certified as a bona fide public hospital by the Department of National health and Welfare;

(b) Yes, when for a school, university or other similar institution;

(c) Yes.

(i) —on a building that is used exclusively or mainly as a public library operated on a non-commercial basis,

—on an incinerator owned by a municipality and used primarily for the incineration of waste materials for the municipality,

—on a building for an institution which the Minister of National Health and Welfare has certified as a bona fide public institution,

—on a building owned and controlled by a province for the sole purpose of providing residence for students of a university or other similar educational institution,

—on a building owned by a province that is not a party to a reciprocal sales tax agreement with the federal government,

—on a building that forms part of a municipal water distribution, sewage or drainage system.

(ii) These figures are not available. Persons entitled to a refund submit claims to the department to recover sales tax. The department receives in excess of 75,000 claims a year on a wide range of goods including construction materials. The claims are not classed by type and the only way to find the average amount claimed and the total annual amount refunded on construction materials would be to analyse the more than 350,000 claims received in the last five years.

EXPORT DEVELOPMENT CORPORATION—CUBA

Question No. 967—**Mr. Cossitt:**

With reference to the answer to Question No. 45 which stated in part, that Cuba has signed eight loans with the Export Development Corporation for $69.3 million, what (a) is a complete list of all such loans and their purpose (b) was the amount of each loan and the interest charged (c) are the dates the loans were made?

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Export Development Corporation is concerned:

(a)	(i)	Banco Nacional de Cuba	To finance the export sales of railways and related equipment by Canron Limited
	(ii)	Banco Nacional de Cuba	To finance export sales of three ships (tankers) by Marine Industries Limited
	(iii)	Banco Nacional de Cuba	To finance the export sales of pulp and paper mills by Roy W. Emery Limited
	(iv)	Banco Nacional de Cuba	To finance the export sales of servicing vehicles by Wajax International Limited
	(v)	Banco Nacional de Cuba	To finance the export sales of railways and related equipment by Hawker Siddeley Canada Limited
	(vi)	Banco Nacional de Cuba	To finance the export sales of airport facilities and equipment by Interimco Trading Company Ltd.
	(vii)	Banco Nacional de Cuba	To finance an increase in export sales price of ships (tankers) by Marine Industries Limited
	(viii)	Banco Nacional de Cuba	To finance the export sales of airport facilites and equipment by Interimco Trading Company Limited.

(b)	Maximum Amount of Loan per Loan Agreement Signed[1]	EDC Portion	Bank Portion under parallel Financing
(i)	C$17.9 million	C$17.9 million	nil
(ii)	C$24 million	C$24 million	nil
(iii)	C$1 million	C$.70 million	C$.30 million
(iv)	C$1.9 million	C$1.2 million	C$.70 million
(v)	C$16.8 million	C$11.80 million	C$5 million
(vi)	C$1.2 million	C$.80 million	C$.40 million
(vii)	C$3.0 million	C$3 million	nil
(viii)	C$2.5 million DM $1.7 million[2]	C$3.5 million	nil

[1]The actual amount depends on the amount of eligible goods and services actually sold thereunder.

[2]At the time of signing, the Canadian equivalent of DM$1.7 million was C$1.05 million.

In view of the intense competition that prevails among countries in foreign trade, it is not in the public interest for the Export Development Corporation to disclose the interest charged, in each loan.

(c) (i) April 25, 1974

(ii) December 13, 1974

(iii) September 26, 1975

(iv) September 26, 1975

(v) September 26, 1975

(vi) June 03, 1976

(vii) November 19, 1977

(viii) December 13, 1978

NATIONAL POWER GRID

Question No. 968—**Mr. Dinsdale:**

1. Has the government considered the setting up of a national power grid to encourage the use of renewable hydro energy resources and conserve depletable energy resources?

2. Were planning meetings held to plan the setting up of a national power grid and, if so (a) where were the meetings held and on what dates (b) who attended the meetings?

3. Is the proposal still under consideration by the government and, if so, what action is being taken?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. The government has not specifically considered a national power grid but has participated in other measures to ensure appropriate interconnection of electric power systems. Electricity production in Canada involves very limited dependence on rapidly depleting energy resources. Interconnections between neighbouring utilities in adjacent provinces have been developed in all parts of Canada in response to the technical and economic opportunities to export or exchange electricity. The only significant gaps that exist are between Alberta and Saskatchewan and between the island of Newfoundland and Labrador. Studies are actively proceeding to bridge these gaps. Commitment has already been made to purchase equipment for an Alberta-Saskatchewan interconnection.

Since 1974 the federal government has encouraged the reinforcement of regional interconnections through the offer of loans at Crown corporation rates to provide up to 50 per cent of the cost of approved projects. To date this program has provided assistance for interprovincial interconnections between Nova Scotia and New Brunswick and between New Brunswick and Prince Edward Island. It has also provided loans to Manitoba for the second stage of the Nelson River transmission system between northern Manitoba and Winnipeg. Total loans, advanced and approved, under this program amount to approximately $215 million.

2. Not applicable in the context of the question, however regional interconnection was studied in detail during 1977 and 1978 by the Interprovincial Advisory Council of Energy (IPACE).

3. Not applicable.

CBC COVERAGE—CANADA WIDE SCIENCE FAIR

Question No. 976—**Mr. Cossitt:**

Did CBC provide television coverage of the Canada Wide Science Fair, or any part thereof, held in Thompson, Manitoba between May 11 and May 18 and, if not (a) for what reason (b) what is the name and job designation of the highest ranking CBC employee who ruled out such coverage?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

(a) CBC Television in Winnipeg did not cover the science fair because they had covered a major mining conference two weeks earlier and the cost of mounting coverage of events in northern Manitoba limits the number of trips the station can make to Thompson and other northern locations. However, CBC Radio in Winnipeg (CBW) carried coverage of the fair at least once a day on "North Country", a special radio service to northern listeners, and CBW's driving-home show promoted the event. CBW also carried a special item on "In Town and Out", the Saturday morning program.

(b) It has not been customary to require the CBC to provide such details of its internal management and administration as the names of its officers involved in individual program decisions. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

CBC—COST OF COVERAGE OF QUEBEC REFERENDUM

Question No. 977—**Mr. Cossitt:**

1. What was the entire cost to the Canadian taxpayer for CBC coverage of the Quebec Referendum campaign and results including radio and television, technical costs, salaries of assigned personnel?

2. Are figures available showing the breakdown cost for (a) the French radio and television networks (b) the English radio and television networks and, if so, what are such figures?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: 1 and 2. It has not been customary to require the CBC to provide such details of its internal management and administration as the costs relating to individual program projects. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

AID TO NORTH VIET NAM

Question No. 981—**Mr. Cossitt:**

Did the government loan or give a grant, etc. to North Viet Nam and, if so, what (a) is a complete list of all such items and their purpose (b) was the amount of each item (c) was the interest charged, if any, and the terms thereof

(d) was the date in each case (e) is all the information in regard to payments, if required, including anything in arrears?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs, Canadian International Development Agency and the Department of Finance as follows: no, Canada did not provide a loan or grant to North Viet Nam.

PETRO-CANADA OFFICIALS

Question No. 982—**Mr. MacKay:**

1. Does the president and chief executive officer of Petro-Canada maintain a residence in Ottawa?

2. In which city is his regular business office located?

3. Does the corporation maintain an aircraft for his use and for the use of other senior officers and, if so, is the aircraft used weekly to transport him between his Ottawa residence and his Calgary office?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows: 1. The information sought is of a private nature.

2. Petro-Canada's head office is located in Calgary where Mr. Hopper, chairman of the board and chief executive officer, works the majority of the time.

3. Petro-Canada maintains several aircraft for company business, including one that is used primarily for senior and middle management personnel. The aircraft are not used to transport Mr. Hopper or other senior personnel weekly between Ottawa and Calgary.

PUBLICATION "PROVINCIAL GOVERNMENT EMPLOYMENT"

Question No. 985—**Mr. MacKay:**

With reference to Statistics Canada's publication 72-008, "Provincial Government Employment", did the Agency change the publication's statistical categories from time to time, without regard to backward revision and, if so, did such change create problems of historical inconsistencies?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada Reports: Substantive changes were made, effective April 1, 1973, when the employment series was realigned to coincide with the newly codified concepts and classifications of Statistics Canada's financial management system.

These changes resulted in a break in historical consistency. At the time of the changeover, a historical revision was planned but was not carried out because resources for the work were not available. In addition, adjustments are sometimes made when more complete information becomes available.

RCMP DRESS UNIFORMS

Question No. 1,002—**Mr. Cossitt:**

Do the regular officers of the RCMP appear in their full dress red uniforms in order to add colour to a ceremonial occasion such as state visits by the Prime Minister of Japan and the President of Mexico and, if not, what is the reason?

Hon. Bob Kaplan (Solicitor General): Yes, members of the RCMP appear in their full red uniforms in order to add colour to a ceremonial occasion such as state visits by the Prime Minister of Japan and the President of Mexico. However, the prime purpose of members of the force in uniform at ceremonial occasions is security, providing crowd control and traffic control. Each ceremonial occasion is evaluated concerning the force's main function which is the personal safety of the VIP and the VIP party. If members are to be near the VIP and not happened in any way from performing their assigned duty, they may be detailed to wear review order of dress (full red uniform). The dress of the members on these occasions is left to the discretion of the security officer who acts on behalf of the commanding officer in that particular area.

VETERANS WAITING PERIOD FOR ENTITLEMENT TO PENSION

Question No. 1,003—**Mr. Howie:**

How many war veterans have been waiting for more than six months for a board decision to determine their entitlement to a disability pension?

Hon. J. Gilles Lamontagne (Minister of National Defence): One thousand eight hundred sixty-one war veterans have been waiting for more than seven months for a decision at the first level of adjudication to determine their eligibility for a disability pension. Statistics are not maintained with respect to those veterans that have been waiting for six months.

Seven hundred fifty-eight war veterans have been waiting for more than six months for a decision at the second level of adjudication, e.i. the entitlement board of the Canadian Pension Commission.

One thousand two hundred nineteen war veterans have been waiting for more than six months for a decision at the final level of adjudication, i.e. the pension review board.

VETERANS WAITING FOR PENSION INCREASES

Question No. 1,004—**Mr. Howie:**

How many war veterans have been waiting for more than six months for a board decision to determine their right to an increase in their disability pension?

Hon. J. Gilles Lamontagne (Minister of National Defence): One hundred forty-four war veterans have been waiting for more than six months to appear before an assessment board of the Canadian Pension Commission for an increase in pension.

One hundred sixty-five war veterans have been waiting for more than six months for a decision at the final level of adjudication, i.e. the pension review board.

DSS—PRINTERS CONTRACTED TO PRODUCE "METRIC MONITOR"

Question No. 1,008—**Mr. Cossitt:**

1. With reference to the answer to question No. 91 concerning the "Metric Monitor" which stated in part, "the costs for printing and publishing are decided by Supply and Services Canada on a competitive bid system", in each year from 1974 to date, what are the names and addresses of all printers used by the Department for printing the "Metric Monitor"?

2. In each case, what is the name from whom other competitive bids were obtained and how were they selected to enter a bid?

3. Were calls for bids advertised publicly and, if not, for what reason?

4. In each case, did the lowest bid receive the job and, if not, for what reason?

5. Was political affiliation considered when selecting the bidders?

Hon. J.-J. Blais (Minister of Supply and Services):

1.

April, 1980 to March 1981:

Canadian Publishing Co. Ltd.
55 Dunlop Avenue
Winnipeg, Manitoba

September, 1977 to March, 1980:

Canadian Publishing Co. Ltd.
55 Dunlop Avenue
Winnipeg, Manitoba

September, 1976 to August, 1977:

Imprimerie Commerciale Le Droit
Leclerc Ltée
375 Rideau Street
Ottawa, Ontario

July, 1975 to August, 1976

Mutual Press Ltd.
1424 Michael Street
Ottawa, Ontario

January, 1975 to June, 1975:

Web-Offset Publications Ltd.
52 Lesmill Road
Don Mills, Ontario

January, 1974 to December, 1974:

No Record.

2.

April, 1980 to March, 1981:

Canadian Publishing Co. Ltd.
55 Dunlop Avenue
Winnipeg, Manitoba

Ronalds Printing
6300 Park Avenue
Montreal, Quebec

Method of selection: Bulletin board tendering system

The "Bulletin Board Tendering System" is a tendering mechanism developed by the Canadian Government Printing Office in co-operation with the Graphic Arts Industries Association, where printing requirements are posted in the DSS offices across Canada as well as the Graphic Arts Industries Association offices in Toronto and Montreal. Firms wishing to bid on these requirements may review the invitations on the board and obtain copies of the Invitation to tender at the offices where the invitation is displayed.

September, 1977 to March, 1980:

Canadian Publishing Co. Ltd.
55 Dunlop Avenue
Winnipeg, Manitoba

Printall Press Ltd.
920 Belfast Road
Ottawa, Ontario

Mutual Press Ltd.
1424 Michael Street
Ottawa, Ontario

Method of selection: Bulletin board tendering system

September, 1976 to August, 1977:

Imprimerie Commerciale Le Droit
Leclerc Ltée
375 Rideau Street
Ottawa, Ontario

Imprimerie Dumont Inc.
Dumont Printing & Publishing Inc.
9130 Boivin-Lasalle
Quebec

Mutual Press Ltd.
1424 Michael Street
Ottawa, Ontario

Richardson, Bond & Wright Ltd.
Owen Sound, Ontario

Librairie Beauchemin Ltée
450 Avenue Beaumont
Montreal, Quebec

Method of selection: Bulletin board tendering system

July, 1975 to August, 1975:

Mutual Press Ltd.
1424 Michael Street
Ottawa, Ontario

Richardson, Bond & Wright Ltd.
1673 Carling Avenue
Ottawa, Ontario

Web-Offset Publications Ltd.
52 Lesmill Road
Don Mills, Ontario

Gazette Canadian Printing Ltd.
1000 St. Antoine Street
Montreal, Quebec

Southam Murray Printing Co. Ltd.
2973 Weston Road
Weston, Ontario

Method of selection: 28 firms listed on an official DSS source list as being competent and capable of meeting this type of requirement were invited to tender.

January, 1975 to June, 1975:

Web-Offset Publications Ltd.
52 Lesmill Road
Don Mills, Ontario

Mercury Press Co.
6833 De l'Epee Avenue
Montreal, Quebec

Mortimer Ltd.
P.O. Box 8888
Ottawa, Ontario

Southam Murray Printing Co.
2973 Weston Road
Weston, Ontario

Mutual Press Ltd.
1424 Michael Street
Ottawa, Ontario

Weller Publishing Co. Ltd.
412 Bloor Street, West
Toronto, Ontario

Imprimerie Le Droit Ltée
375 Rideau Street
Ottawa, Ontario

Method of selection 27 firms listed on an official DSS source list as being competent and capable of meeting this type of requirement were invited to tender.

3. These requirements were advertised either through the "Bulletin Board Tendering System" or direct tender calls.

4. Yes.

5. No.

VETERANS AWAITING ELIGIBILITY AND INCREASES IN PENSIONS

Question No. 1,012—**Mr. Howie:**

How many war veterans in Canada are waiting for a decision to determine (a) eligibility (b) increases in their disability pension?

Hon. J. Gilles Lamontagne (Minister of National Defence):

(a) 4,081—at the first level of adjudication;

2,885—at the second level of adjudication, i.e., the entitlement board of the Canadian Pension Commission;

1,362—at the final level of adjudication, i.e., the pension review board.

(b) 1,143—at the first level of adjudication, i.e., an assessment board of the Canadian Pension Commission;

262—at the final level of adjudication i.e. the pension review board.

BRAZILIAN AUTOMOBILE INDUSTRY

Question No. 1,014—**Mr. Robinson (Etobicoke-Lakeshore):**

Is the government aware that the Brazilian automobile industry began selling cars powered by almost pure alcohol to the general public on April 1, 1980 and, if so, has the government approached the auto industry to investigate the possibility of selling alcohol-powered cars in Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: yes the government is aware that automobiles are being powered by alcohol in Brazil.

The government has not asked the industry to sell alcohol powered cars but it has done studies on the feasibility of producing alcohol to be used as a supplement to gasoline in automobiles.

STATISTICS CANADA EMPLOYEES

Question No. 1,021—**Mr. Neil:**

1. How many (a) full-time (b) part-time employees were or are involved in completing a Statistics Canada document entitled "1979 Income Questionnaire" in (i) Saskatchewan (ii) the constituency of Moose Jaw?

2. What is the rate of pay and mileage allowances for each part-time employee involved in completing the questionnaire and the total cost for (a) Saskatchewan (b) the constituency of Moose Jaw?

3. Is the information requested in the questionnaire basically that which is contained in an individual's income tax return and, if so, what is the rationale for the questionnaire?

Hon. J.-J. Blais (Minister of Supply and Services):

1. (a) (i) Two full-time employees in Saskatchewan.

(ii) No full-time employees in the constituency of Moose Jaw.

(b) (i) One hundred thirty eight part-time employees in Saskatchewan.

(ii) Ten part-time employees in the constituency of Moose Jaw.

2. (a) Rates of pay and mileage allowance for each part-time employee for Saskatchewan:

Rates of Pay: Interviewers from $5.30 to $6.30/hour Senior interviewers from $6.75/hour to $7.75/hour

Milleage allowance: 23.5c per mile up to 4000 miles. Total cost for Saskatchewan—$43,000

(b) Rates of pay and mileage allowance for the constituency of Moose Jaw are the same as in 2(a)

Total cost for constituency of Moose Jaw—$2800

3. The information requested in the survey of consumer finances questionnaire includes some items which are not included in an individual's tax return because they are exempt from taxation. The survey is conducted for the purpose of providing income data for families and individuals whatever their income level. Income tax returns are filed by individuals and cannot be grouped into families. They also contain very little information on characteristics which are needed to analyse income statistics (work experience, family situation, etc). Also, individuals at the low end of the income scale may not have filed tax returns and without the income for these individuals the average income of Canadians would not be accurate. In fact many of the social policies developed from these data are geared towards the low income population, and this survey is the only source of income data for this group.

CANADA COUNCIL JOB CLASSIFICATIONS

Question No. 1,024—**Mr. Friesen:**

1. What are the job classification titles under which an individual would be employed in the Canada Council?

2. How many individuals were employed by the Canada Council in (a) 1979 (b) 1980 to date and by job classification, how many received incomes per annum (i) of more than $60,000 (ii) between $50,000 and $60,000 (iii) between $40,000 and $50,000 (iv) between $30,000 and $40,000 (v) between $20,000 and $30,000 (vi) between $10,000 and $20,000 (vii) less than $10,000?

3. How many individuals were employed by the Canada Council on a contract basis in (a) 1979 (b) 1980 to date and what was the total amount paid for such services?

4. What was the total amount of gross revenues the Canada Council received from sources outside the government?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): The Canada Council provides the following information:

1 and 2. See list below.

3. For periods extending from two months to one year, the Canada Council employed on contract seven individuals in 1979 and eight individuals in 1980 to date (June 24). The total amount paid for their services was $243,626.

4. 1978-79: $9,862,104, 1979-80: $9,628,678.

1979	More than $60,000	$ 50-60,000	$ 40-50,000	$ 30-40,000	$ 20-30,000	$ 10-20,000	Less than $10,000	Total
Officers			6	25	56	17		104
Senior executives			5	1				
Program officers			1	17	34	5		
Translators				1	3			
Information officers				2	3			
Personnel officers				1	1			
Finance officers				2	4			
Administrative officers				1	11	12		
Technical Staff					3	10		13
Printing services					1			
Computer services					1	1		
General technicians					1	5		
Bindery						1		
Offset press						2		
Data processing						1		
Secretarial Staff						52		52
Clerical Staff						44	1	45
Total			6	25	59	123	1	214

1980	More than $60,000	$ 50-60,000	$ 40-50,000	$ 30-40,000	$ 20-30,000	$ 10-20,000	Less than $10,000	Total
Officers		1	7	27	60	10		105
Senior executives		1	5					
Program officers			1	20	33	2		
Translators				1				
Information officers			1		8			
Personnel officers				1	1			
Finance officers				3	4			
Administrative officers				2	14	8		
Technical Staff					5	13		18
Printing services					1			
Computer services					2			
General technicians					2	4		
Bindery						1		
Offset press						2		
Data processing						3		
Office composing equipment						3		
Secretarial Staff					2	50		52
Clerical Staff						39		39
Total		1	7	27	67	112		214

SPOUSE'S ALLOWANCE

Question No. 1,031—**Mr. Herbert:**

1. How many Canadian widows between the ages of 60 and 65 are not entitled to receive the spouse's allowance and what is the estimated saving in cost?

2. What is the estimated amount that the government contributes to the cost of the provincial welfare payments made to such persons?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. It is estimated that approximately 50,000 Canadian widows between the ages of 60 and 65 are not entitled to receive the spouse's allowance. The estimated saving in cost is in the neighbourhood of $120 million.

2. It is estimated that the federal government contributed roughly $9 million as its share under the Canada Assistance Plan to the cost of provincial welfare payments that may be made to these persons.

ASSOCIATE UNDERSECRETARY OF STATE FOR EXTERNAL AFFAIRS

Question No. 1,038—**Miss MacDonald:**

1. What is the job description of the Associate Under-Secretary of State for External Affairs?

2. At what category was he appointed?

3. What is his salary?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. As is and has been the case in similar circumstances in this and other departments and agencies, the associate under-secretary shares all the responsibilities for managing the Department of External Affairs with the under-secretary; his position therefore does not constitute a level separate from the under-secretary's. Emphasis and focus of particular responsibilities will evolve and vary as circumstances will warrant. At present, the associate under-secretary assumes complete line responsibility for all economic matters; in this capacity, he chairs the interdepartmental ADM sub-committee (economic relations) on foreign and defence policy. He also chairs the senior management committee.

2. DM-2.

3. The salary range for that category of appointment is $55,600—$72,400.

TAX CREDIT ON INSULATION

Question No. 1,047—**Mr. Riis:**

Does the government plan on providing tax credits on the purchase of insulation, or insulation grants to owners of mobile homes who wish to conserve energy and make their homes more energy efficient?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Finance and the Canada Mortgage and Housing Corporation as follows: In so far as the Department of Finance is concerned:

The government is currently reviewing various proposals which would aid the conservation of energy. No firm decisions have as yet been made. The government does currently provide exemption from the federal sales tax for insulation material. Assistance is also provided to eligible home owners through the Canadian Home Insulation Program, administered by CMHC. Further tax incentives, if any, for the purchase of insulation would be announced in the next budget.

In so far as the Canada Mortgage and Housing Corporation is concerned: mobile homes are presently eligible for assistance under the Canadian Home Insulation Program (CHIP) and the Home Insulation Program (HIP). Federal assistance under the CHIP and HIP programs takes the form of a grant and is available to owners of all self-contained dwellings, including mobile homes, used for permanent residency, if built before 1961 in the case of CHIP and 1977 in the case of HIP.

"CULTURES CANADA"

Question No. 1,049—**Mr. Cossitt:**

1. Was the pamphlet entitled "Cultures Canada" and bearing "Minister of State Multiculturalism" at the top, published at the taxpayers' expense by the Department of Supply and Services?

2. If the pamphlet was not printed by the department (a) who printed it (b) how was the printing arranged (c) were tenders called or invited and (i) if so, from whom were quotations received and in what amount (ii) if not, for what reason?

3. What was the total approximate cost of the five issues printed to date?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Supply and Services and Secretary of State as follows:

1. No. However, printing of four of the five issues was arranged by the Department of Supply and Services.

2. Issue 1:

(a) Printed through Communications Consultants Ltd., under the previous government.

(b) Issue 1 was subcontracted by Communications Consultants Ltd.

(c) (/i) No.

(ii) Because of the high priority and extremely short deadline for delivery.

Issue 2:

Printed by the Department of Supply and Services.

Issue 3:

(a) National Printers (Ottawa).

(b) and (c) A requisition for printing was received by the Department of Supply and Services from the Department of the Secretary of State. Tenders were invited by telephone from three Ottawa firms listed on an official DSS source list as being competent and capable of meeting this type of requirement.

Quotations were received from two firms:

Name
National Printers (Ottawa)
Lomor (Ottawa)

Issues 4 and 5:

(a) National Printers (Ottawa).

(b) and (c) A requisition for the printing of issues 4 and 5 was received by the Department of Supply and Services from the Department of the Secretary of State. This requirement was negotiated with the previous printer because of the short lead time of two days.

3. Total printing cost for issues 1 to 5 is $5,572.64.

PITNEY BOWES CO.—POSTAL METER DIE

Question No. 1,054—**Mr. McKenzie:**

1. Does the Pitney Bowes Company currently hold the contract with the Post Office Department to supply a special postal meter die bearing a national unity message?

2. Was information on the availability of the die circulated to Canadian businesses by the Postmaster General?

3. Was the die to have come into use on or before May 15, 1980?

4. Did the government call for tenders when it decided to have the dies made and, if so (a) on what date (b) did Pitney Bowes actively participate in the bidding for the contract (c) did Pitney Bowes submit the lowest bid and, if not, who did (d) what are the names of all the companies that took part in the bidding?

5. What are the names of the contracts that Pitney Bowes has with the department?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. The Post Office Department purchased meter dies, from Pitney Bowes Company and the Frieden Company, bearing a national unity message, for use in government operated postage meters.

2. The dies obtained by this purchase were for government use only. A letter signed by the Postmaster General, urging Canadian businesses to purchase similar dies, was distributed by all meter companies operating in Canada to their respective customers. The Post Office did not contract for, purchase or supply meter dies for use by these customers.

3. In his letter, the Postmaster General suggested that the dies be used starting in mid-May, 1980.

4. (a), (b), (c) and (d).

Tenders were not called for the meter dies obtained for government use by the Post Office. Each postage meter company is the supplier of dies to fit its make of machines.

5. The Post Office does not have contracts with Pitney Bowes.

DSS—SUB-CONTRACTING

Question No. 1,055—**Mr. Cossitt:**

1. Did the Minister of Supply and Services in an address to the Canadian Manufacturing Association on May 26, 1980 in Hull, Quebec, state, "we have found that significant portions of some prime contracts let to Canadian-based manufacturers are sub-contracted outside Canada" and did he further state that the department would insist on more Canadian sub-contracting and, if so, what steps does the government plan in order to accomplish this end?

2. Is the government considering having clauses inserted in contracts making this an absolute requirement and, if not, what other method will be used to positively guarantee additional Canadian sub-contract work?

Hon. J.-J. Blais (Minister of Supply and Services): Yes, these statements are correct. As I outlined, the DSS record in support of Canadian industry is that on average, it places in excess of 80 per cent by value of its contracts in Canada with Canadian-based firms. The bulk of the offshore procurement (less than 20 per cent) is for the most part governed by bilateral arrangements on defence with NATO countries. In this context it is important to note that since the inception of such agreements Canada has recorded a net trade surplus on such agreements. Further, where major offshore procurements do take place, such as Aurora and NFA, the government "offset" and licensing arrangements are negotiated to ensure a share of sub-contract work for Canadian firms.

However, it was also realized that significant portions of some prime contracts let to Canadian-based manufacturers are sub-contracted outside Canada and it is in this area of activity that the additional gains may be made on behalf of Canadian industry. Hence the establishment of a DSS sub-contracting program.

The DSS sub-contracting program is a co-operative program between DSS and its major suppliers designed to increase the value of sub-contract awards made to Canadian firms. In terms of what has been achieved to date, the following initiatives have been actioned:

(a) DSS will now require the companies bidding on requirements valued at over $2 million, to submit as part of their bid a "Canadian Business Opportunities Plan". This plan will document the level of sub-contracting in Canada, particularly with small business;

(b) Each major prime contractor participating in this program will appoint a Canadian supply officer with the specific responsibility of increasing the over-all level of Canadian content in government contracts. This officer will serve as the direct link with potential sub-suppliers and officials of my department;

(c) My department will convene a series of trade shows in selected cities across the country at which participating companies will be able to display their products, highlighting business opportunities for all interested Canadian suppliers;

(d) My department will issue an "Information Package" containing program needs, production requirements and business opportunities of a number of Canadian prime contractors who have volunteered such information. In addition, we will publish on a regular basis all forthcoming requirements over $2 million in value that would be of interest to Canadian sub-contractors and suppliers.

PERSONS EMPLOYED IN EACH DEPARTMENT AT VARIOUS LEVELS

Question No. 1,061—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AC-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Number of persons employed in each department at specified groups and levels.

Department or agency	AC-2
EIC	1
INS	5

Question No. 1,062—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AC-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AC-3
EIC	1
INS	5

Question No. 1,063—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AG-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AG-6
AGR	6
IDA	1

Question No. 1,064—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AI-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AI-7
MOT	28

Question No. 1,065—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AR-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-5
DND	10
DOE	13
DPW	39
IAN	12
MOT	10
NCC	3
NMC	1
PEN	1

Question No. 1,066—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AR-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-6
DND	2
DOE	3

DPW	17
EMR	1
EXT	1
IAN	3
IDA	1
MOT	6
NCC	10
NHW	3
PEN	1

Question No. 1,067—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AR-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-7
DND	1
DOE	3
DPW	10
IAN	2
MOT	2

Question No. 1,068—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AR-8 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-8
DND	1
DPW	2
NHW	1

Question No. 1,069—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AS-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AS-7
AGR	8
ARC	5
CAE	9
CCA	3
COL	9
COM	8
DFO	10
DND	24
DOE	14
DPW	49
DSS	39
DVA	1
EIC	18
EMR	3
ENR	1
EXT	5
FCT	1
FIN	2
GGS	1
HRC	1
IAN	6
IDA	2
IJC	1
ITC	3
JUS	3
LAB	4
LRC	1
MED	1
MOT	50
MST	16
NHW	9
NMC	5
OCG	11
PEN	10
POD	10
PSC	7
REA	1
REE	2
RTC	4
SEC	6
SOL	3
STC	1
TAX	5
TBD	22

Question No. 1,070—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AS-8 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AS-8
AGR	5
ARC	1
CAE	2
CCA	1
CLR	1
COL	2
COM	4
DFO	7
DND	14
DOE	6
DPW	43
DSS	25
DVA	2
EIC	9
EMR	2
EXT	4
GGS	2
IAN	5
JUS	5
MOT	26
NCC	1
NHW	6
OCG	10
PCO	1
PEN	10
POD	1
PSC	5
REE	2
RTC	1
SOL	1
STC	2
TAX	1
TBD	31

Question No. 1,071—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AV-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[1]AU-5
CAE	8
CTC	2
DSS	9
RTC	1
TAX	77

[1] AV is presumed to be AU (Auditing).

Question No. 1,072—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AV-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[1]AU-6
DSS	8
RTC	1
TAX	21

[1] AV is presumed to be AU (Auditing).

Question No. 1,073—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AV-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[1]AU-7
TAX	5

[1] AV is presumed to be AU (Auditing).

Question No. 1,074—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the CH-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CH-5
DOE	6
NHW	2

Question No. 1,075—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the CH-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CH-6
	0

Question No. 1,076—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the CO-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CO-2
AGR	12
CAE	1
CCA	54
COM	1
CSM	22
DFO	17
DND	1
DOE	1
DSS	3
EMR	3
ENR	4
FIR	15
FPR	2
IAN	73
IDA	2
INS	45
ITC	446
MST	1
REA	3
REE	131
RTC	10
TBD	2
TCB	3

Question No. 1,077—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the CO-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CO-3
AGR	5
CCA	24
COM	4
CSM	6
DFO	8
DND	2
DPW	1
DSS	2
EMR	5
ENR	4
FIN	4
FIR	12
IAN	10
INS	12
ITC	171
MOT	2
MST	2
REA	1
REE	115
RTC	9
TCB	3

Question No. 1,078—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the CO-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CO-4
AGR	4
CCA	9
CDC	2
CSM	2
DFO	5
DSS	1
EMR	4
ENR	3
FIN	1
FIR	7
IAN	7
INS	3
ITC	131
MED	1

REA	1
REE	60
RTC	3

Question No. 1,079—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the CS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CS-5
CAE	3
CCA	1
COM	1
DFO	1
DND	4
DOE	4
DPW	2
DSS	13
EIC	4
EMR	4
ITC	1
LAB	2
MOT	2
NHW	1
POD	2
PSC	1
REE	1
STC	6
TAX	7

Question No. 1,080—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the ES-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[2]ES-5
AGR	41
ASB	1
CAE	1
CCA	9
CGC	2
COM	13
CTC	33
DFO	13
DOE	34
DPW	3
DSS	2
DVA	1
EIC	71
EMR	42
ENR	16
FIN	69
FIR	3
HRC	1
IAN	24
IDA	9
ITC	19
JUS	2
LAB	12
LFB	1
MOT	28
MST	2
NCC	1
NHW	35
NMC	1
NPB	1
OCG	1
PEN	2
POD	9
PSC	2
RCM	1
REE	12
RTC	4
RTP	1
SEC	11
SOL	9
STC	198
TAX	5
TBD	15

[2] The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2

ES 6 for ES 3

ES 7 for ES 4

ES 8 for ES 5

Question No. 1,081—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the ES-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[2]ES-6
AGR	26
CAE	1
CCA	8
CDC	1
CGC	1
COM	6
CSW	1
CTC	14
DFO	10
DND	1
DOE	24
DPW	1
DSS	5
EIC	25
EMR	17
ENR	11
EXT	3
FIN	26
FIR	2
FPR	1
HRC	1
IAN	15
IDA	7
ITC	14
JUS	1
LAB	5
MED	4

MOT	33
MST	5
NHW	33
PCO	1
POD	5
REE	20
RTC	3
RTP	1
SEC	5
SOL	8
STC	116
TAR	5
TAX	3
TBD	7

(2) The ES Group was converted from Levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2

ES 6 for ES 3

ES 7 for ES 4

ES 8 for ES 5

Question No. 1,082—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the ES-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	(2)ES-7
AGR	9
CCA	3
CDC	1
CGC	1
COM	4
CTC	11
DFO	5
DOE	13
DSS	1
EIC	16
EMR	20
ENR	6
FIN	43
FIR	2
FPR	1
IAN	8
IDA	2
IJC	1
ITC	11
LAB	2
MED	3
NOT	12
MST	1
NHW	11
OCG	1
PCO	1
POD	1
REE	5
RTC	2
SEC	3
SOL	2
STC	44
TAR	2
TBD	10

(2) The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2

ES 6 for ES 3

ES 7 for ES 4

ES 8 for ES 5

Question No. 1,083—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the ES-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	(2)ES-8
AGR	2
COM	1
CTC	2
DFO	1
EIC	2
EMR	2
FIN	1
ITC	2
MOT	2
MST	1
NHW	3
REE	4
SOL	1
STC	17
TAX	1

(2) The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2

ES 6 for ES 3

ES 7 for ES 4

ES 8 for ES 5

Question No. 1,084—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the F1-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FI-6
AGR	3
ARC	1
CAE	4
CCA	2
CEO	1
COM	3
CTC	1
DND	6
DOE	3
DPW	4
DSS	22
DVA	4
EIC	15
EMR	5
ENR	1
FIN	1
IAN	16
IDA	3

ITC	4
MOT	17
NCC	1
NHW	7
NPB	1
OCG	18
PEN	7
POD	5
REE	2
SEC	2
SOL	1
STC	2
TBD	22

Question No. 1,085—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the FI-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FI-7
AGR	1
CAE	1
CCA	1
CDC	1
DFO	1
DND	3
DOE	2
DPW	1
DSS	14
DVA	1
EIC	5
EXT	2
IAN	2
IDA	1
ITC	2
LAB	1
MED	1
MOT	3
NHW	2
NMC	1
OCG	17
POD	6
RCM	1
RTC	1
TBD	17

Question No. 1,086—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the FS-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-2
EIC	96
EXT	246
ITC	113

Question No. 1,087—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the FS-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-3
EIC	26
EXT	150
ITC	90

Question No. 1,088—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the FS-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-4
EXT	47
ITC	24

Question No. 1,089—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the FS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-5
EXT	14

Question No. 1,090—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the FS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[3]FS-6

[3] FS-6 is a non-existant level.

Question No. 1,091—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the GT-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	GT-7
AGR	1
ARC	1
DFO	5
DND	2
DOE	3
DPW	2
DSS	8
IAN	2
JUS	1
MOT	16
NHW	1
NMC	16

Question No. 1,092—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the GT-8 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	GT-8
DND	2
DOE	2
DSS	3
EXT	1
ITC	1
NMC	5

Question No. 1,093—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the HR-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	HR-5
ARC	1
DND	1
GGS	1
IAN	1
NMC	3

Question No. 1,094—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the IS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	IS-6
AGR	3
CAE	1
CCA	1
COM	1
DFO	1
DOE	4
DPW	1
DVA	1
EIC	5
EMR	2
EXT	2
FIN	1
IAN	1
IDA	1
ITC	5
JUS	2
MOT	3
NHW	3
NMC	1
NPB	1
PEN	1
POD	3
PSC	1
STC	1
TBD	1

Question No. 1,095—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the IS-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	IS-7
COL	1
DFO	1
DOE	1
DPW	1
DSS	1
EIC	2
EMR	1
IAN	1
ITC	1
LAB	1
NMC	1
PSC	1
REE	1
SEC	1
STC	1
TAX	1
TBD	2

Question No. 1,096—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the LA-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	LA-2
BPA	22
CTC	4
DVA	2
ENR	2
EXT	2
FJA	1
HRC	1
IJC	1
JUS	292
NHW	1
NPB	1
RTC	3

Question No. 1,097—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the LA-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	LA-3
CTC	1
ENR	1
JUS	37
NPB	1
RTC	2

Question No. 1,098—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the LS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	LS-6
AGR	1
DOE	1
EXT	1
NLI	4

Question No. 1,099—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the PE-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PE-5
AGR	10
ARC	2
CAE	12
CCA	2
COL	1
COM	2
CTC	2
DFO	7

DND	17
DOE	8
DPW	9
DSS	9
DVA	8
EIC	18
EMR	6
ENR	2
EXT	8
FIN	2
FIR	1
IAN	17
ITC	3
JUS	1
MED	1
MOT	25
MST	2
NCC	2
NHW	11
NMC	2
NPB	1
PCO	2
PEN	9
POD	18
PSC	85
RCM	2
REE	2
SEC	3
STC	3
TAX	13
TBD	25

Question No. 1,100—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the PE-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PE-6
AGR	3
ARC	1
CAE	4
CCA	2
COM	2
CTC	1
DFO	5
DND	7
DOE	5
DPW	3
DSS	11
DVA	5
EIC	7
EMR	1
EXT	3
FIN	1
IAN	5
IDA	1
ITC	3
LAB	1
MOT	3
NCC	1
NHW	6
PCO	1
PEN	8
POD	7
PSC	33
RCM	1
REE	3
SEC	1
SOL	2
STC	2
TAX	2
TBD	21

Question No. 1,101—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the PE-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PE-7
AGR	2
DND	2
DOE	1
DPW	1
DSS	4
EIC	5
IAN	1
JUS	1
LAB	2
MOT	3
NHW	1
NMC	1
OCG	1
PEN	2
POD	2
PSC	17
RTC	1
TAX	3
TBD	7

Question No. 1,102—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the PG-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PG-5
CAE	1
COM	2
DFO	1
DND	17
DOE	1
DPW	1
DSS	238
EIC	2
EMR	1
IAN	1
IDA	1
MOT	3

NCC	1
NHW	1
PEN	1
POD	1
REE	1

Question No. 1,103—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the PG-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PG-6
AGR	1
DND	10
DPW	1
DSS	122
EXT	2
IDA	2
MOT	3
PEN	1
POD	1
TAX	1

Question No. 1,104—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the PS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PS-5
PEN	1

Question No. 1,105—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the SI-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SI-7
ARC	1
IAN	1
JUS	1
NHW	1
NMC	1
RTC	1
STC	8
SUC	1
TAX	4

Question No. 1,106—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the SX-1 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-1
AGR	16
AIA	1
ARC	1
CAE	11
CCA	19
CDC	1
CEO	2
COL	2
COM	18
CTC	9
DFO	14
DND	13
DOE	20
DPW	20
DSS	45
DVA	8
EIC	34
EMR	7
ENR	5
EXT	3
FIN	9
FIR	1
FJA	1
FPR	7
HRC	2
IAN	31
IDA	13
ITC	42
JUS	2
LAB	6
MED	5
MOT	45
MST	9
NCC	6
NHW	26
NMC	1
NPB	1
OCG	8
PCO	11
PEN	9
POD	25
PSC	11
REE	11
RTC	3
SEC	15
SOL	6
STC	13
TAX	19
TBD	40

Question No. 1,107—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the SX-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-2
AGR	16
ARC	1
CAE	10
CCA	7
CEO	1
CLR	1
COL	1
COM	9
CTC	3
DFO	14
DND	4
DOE	22

DPW	15
DSS	19
DVA	1
EIC	30
EMR	21
ENR	3
EXT	4
FIN	15
FIR	5
FPR	4
HRC	1
IAN	18
IDA	9
IJC	2
INS	1
ITC	27
JUS	3
LAB	7
MED	5
MOT	34
MST	7
NHW	19
NMC	2
OCG	4
PCO	9
PEN	11
POD	6
PSC	8
REE	20
RTC	2
SEC	3
SOL	3
STC	10
TAR	1
TAX	12
TBD	28

Question No. 1,108—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the SX-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-3
AGR	6
CAE	3
CCA	2
COL	1
COM	3
DFO	5
DND	4
DOE	6
DPW	4
DSS	5
DVA	2
EIC	11
EMR	9
EXT	3
FIN	8
FIR	1
FPR	3
IAN	7
IDA	4
INS	1
ITC	5
LAB	3
MED	3
MOT	10
MST	3
NHW	9
OCG	4
PCO	6
PEN	1
POD	3
PSC	3
REE	3
RTC	1
SEC	5
SOL	2
STC	4
TAX	5
TBD	14

Question No. 1,109—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the SX-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-4
EXT	1
ITC	1
MOT	2
NHW	1
REE	1
TBD	2

Question No. 1,110—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the TR-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	TR-4
MOT	1
SEC	84
SUC	1

Question No. 1,111—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the TR-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	TR-5
SEC	15

Question No. 1,112—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the TR-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	TR-6
SEC	6

Question No. 1,113—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	VS-5
AGR	12
NHW	5

Question No. 1,114—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	VS-6
AGR	1
NHW	1

Question No. 1,115—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VT-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-3
DND	72

[4] VT is presumed to be UT (University Teaching).

Question No. 1,116—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VT-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-4
DND	54

[4] VT is presumed to be UT (University Teaching).

Question No. 1,117—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VT-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-5
DND	1

[4] VT is presumed to be UT (University Teaching).

Question No. 1,118—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VT-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-6
DND	1

[4] VT is presumed to be UT (University Teaching).

Question No. 1,119—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the VT-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-7
DND	1

[4] VT is presumed to be UT (University Teaching).

Question No. 1,120—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the WP-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	WP-6
DVA	3
IAN	6
NPB	7
PEN	15

Question No. 1,121—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the WP-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	WP-7
NHW	1
NPB	1
PEN	6
SOL	2

Question No. 1,122—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the Statistician S (STA) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[5]MA(STA)-5
DOE	1
DSS	3
ENR	2
POD	3
STC	29

[5] Statistician S(STA) is presumed to be level 5.

Question No. 1,123—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the Chief Statistician 1 (CST) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	MA(CST)-1
DSS	2
ENR	1
STC	4

Question No. 1,124—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the Chief Statistician 2 (CST) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	MA(CST)-2
DSS	1
STC	1

Question No. 1,125—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the Senior Statistician (SRS) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	MA(SRS)-1
	0

Question No. 1,126—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed in each department at the AO-EPS-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AO(EPS)-3
MOT	2

Number of persons employed in each department with an annual salary of more than $33,600 at specified groups and levels

The numbers reported are for employees on strength in departments or agencies for which Treasury Board is the employer (Schedule 1, Part 1 of the Public Service Staff Relations Act). The data reflects the situation as of the end of March these data being the most current available at the time of the preparation of the replies

Question No. 1,127—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AC-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AC-2
EIC	1
INS	5

Question No. 1,128—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AC-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AC-3
EIC	1
INS	5

Question No. 1,129—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AG-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AG-6
AGR	6
IDA	1

Question No. 1,130—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the A1-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	A1-7
MOT	28

Question No. 1,131—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AR-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-5
DND	8
DOE	11
DPW	37
IAN	9
MOT	9
NCC	3
NMC	1
PEN	1

Question No. 1,132—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AR-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-6
DND	2
DOE	3
DPW	17
EMR	1
EXT	1
IAN	3
IDA	1
MOT	6
NCC	10
NHW	3
PEN	1

Question No. 1,133—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AR-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-7
DND	1
DOE	3
DPW	10
IAN	2
MOT	2

Question No. 1,134—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AR-8 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AR-8
DND	1
DPW	2
NHW	1

Question No. 1,135—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AS-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AS-7
AGR	7
ARC	5
CAE	9
CCA	3
COL	7
COM	3
DFO	6
DND	20
DOE	13
DPW	40
DSS	32
DVA	1
EIC	16
EMR	3
ENR	1
EXT	3
FCT	1
FIN	1
GGS	1
IAN	3
IDA	2
IJC	1

ITC	3
JUS	1
LAB	1
LRC	1
MED	1
MOT	38
MST	14
NHW	7
NMC	3
OCG	10
PEN	6
POD	8
PSC	4
REA	1
REE	1
RTC	4
SEC	5
SOL	2
STC	1
TAX	4
TBD	20

Question No. 1,136—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AS-8 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AS-8
AGR	4
ARC	1
CAE	2
CCA	1
CLR	1
COL	2
COM	4
DFO	7
DND	14
DOE	6
DPW	43
DSS	23
DVA	2
EIC	9
EMR	2
EXT	4
GGS	2
IAN	5
JUS	5
MOT	26
NCC	1
NHW	5
OCG	10
PCO	1
PEN	10
POD	1
PSC	5
REE	2
RTC	1
SOL	1
STC	2
TAX	1
TBD	30

Question No. 1,137—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AV-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[1]AU-5
CAE	7
CTC	2
DSS	9
RTC	1
TAX	77

[1] AV is presumed to be AU (Auditing)

Question No. 1,138—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AV-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[1]AU-6
DSS	8
RTC	1
TAX	21

[1] AV is presumed to be AU (Auditing)

Question No. 1,139—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AV-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[1]AU-7
TAX	5

[1] AV is presumed to be AU (Auditing)

Question No. 1,140—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the CH-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CH-5
DOE	6
NHW	2

Question No. 1,141—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the CH-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CH-6
	0

Question No. 1,142—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the CO-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CO-2
AGR	9
CAE	1
CCA	6
COM	1
CSM	12
DFO	4

DND	1
DSS	3
EMR	2
ENR	1
FIR	4
FPR	1
IAN	22
INS	16
ITC	242
REA	2
REE	34
RTC	4
TBD	1

Question No. 1,143—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the CO-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CO-3
AGR	5
CCA	15
COM	4
CSM	5
DFO	8
DND	2
DPW	1
DSS	2
EMR	5
ENR	4
FIN	4
FIR	10
IAN	8
INS	11
ITC	160
MOT	2
MST	2
REA	1
REE	106
RTC	9
TCB	3

Question No. 1,144—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the CO-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CO-4
AGR	4
CCA	9
CDC	2
CSM	2
DFO	5
DSS	1
EMR	4
ENR	3
FIN	1
FIR	7
IAN	7
INS	3
ITC	131
MED	1
REA	1
REE	60
RTC	3

Question No. 1,145—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the CS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	CS-5
CAE	3
CCA	1
COM	1
DFO	1
DND	3
DOE	4
DPW	2
DSS	13
EIC	4
EMR	3
ITC	1
LAB	2
MOT	2
NHW	1
POD	2
REE	1
STC	6
TAX	6

Question No. 1,146—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the ES-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[2]ES-5
AGR	33
ASB	1
CAE	1
CCA	7
CGC	2
COM	11
CTC	31
DFO	12
DOE	32
DPW	2
DSS	1
DVA	1
EIC	67
EMR	41
ENR	14
FIN	59
FIR	3
IAN	22
IDA	8
ITC	17
JUS	2
LAB	12
MOT	24
MST	2
NCC	1

NHW	33
NMC	1
NPB	1
OCG	1
PEN	2
POD	6
PSC	2
RCM	1
REE	12
RTC	3
SEC	10
SOL	9
STC	178
TAX	4
TBD	13

[2] The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2

ES 6 for ES 3

ES 7 for ES 4

ES 8 for ES 5

Question No. 1,147—Mr. Orlikow:

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the ES-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[2]ES-6
AGR	26
CAE	1
CCA	8
CDC	1
CGC	1
COM	6
CSW	1
CTC	14
DFO	10
DND	1
DOE	24
DPW	1
DSS	5
EIC	25
EMR	17
ENR	11
EXT	3
FIN	26
FIR	2
FPR	1
HRC	1
IAN	15
IDA	7
ITC	14
JUS	1
LAB	5
MED	4
MOT	33
MST	5
NHW	33
PCO	1
POD	5
REE	20
RTC	3
RTP	1
SEC	5
SOL	7
STC	116
TAR	5
TAX	3
TBD	7

[2] The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2

ES 6 for ES 3

ES 7 for ES 4

ES 8 for ES 5

Question No. 1,148—Mr. Orlikow:

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the ES-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[2]ES-7
AGR	9
CCA	3
CDC	1
CGC	1
COM	4
CTC	11
DFO	5
DOE	13
DSS	1
EIC	16
EMR	20
ENR	6
FIN	43
FIR	2
FPR	1
IAN	8
IDA	2
IJC	1
ITC	11
LAB	2
MED	3
MOT	12
MST	1
NHW	11
OCG	1
PCO	1
POD	1
REE	5
RTC	2
SEC	3
SOL	2

STC	44
TAR	2
TBD	10

(2) The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2
ES 6 for ES 3
ES 7 for ES 4
ES 8 for ES 5

Question No. 1,149—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the ES-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	(2)ES-8
AGR	2
COM	1
CTC	2
DFO	1
EIC	2
EMR	2
FIN	1
ITC	2
MOT	2
MST	1
NHW	3
REE	4
SOL	1
STC	17
TAX	1

(2) The ES Group was converted from levels 1-5 to 1-8 effective June 28, 1976. In order to equate with the same population after that date, the following substitutions must be made:

ES 5 for ES 2
ES 6 for ES 3
ES 7 for ES 4
ES 8 for ES 5

Question No. 1,150—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FI-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FI-6
AGR	3
ARC	1
CAE	3
CCA	2
CEO	1
COM	1
CTC	1
DND	5
DOE	1
DPW	4
DSS	17
DVA	3
EIC	10
EMR	1
ENR	1
FIN	1
IAN	12
IDA	2
ITC	4
MOT	15
NCC	1
NHW	6
NPB	1
OCG	14
PEN	3
POD	5
REE	1
SEC	2
SOL	1
STC	1
TBD	13

Question No. 1,151—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FI-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FI-7
AGR	1
CAE	1
CCA	1
CDC	1
DFO	1
DND	3
DOE	2
DPW	1
DSS	14
DVA	1
EIC	5
EXT	2
IAN	2
IDA	1
ITC	2
LAB	1
MED	1
MOT	3
NHW	2
NMC	1
OCG	17
POD	6
RCM	1
RTC	1
TBD	17

Question No. 1,152—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FS-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-2
EIC	68
EXT	126
ITC	53

Question No. 1,153—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FS-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-3
EIC	26
EXT	150
ITC	90

Question No. 1,154—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FS-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-4
EXT	47
ITC	24

Question No. 1,155—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	FS-5
EXT	14

Question No. 1,156—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the FS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[3]FS-6

[3] FS-6 non-existent level.

Question No. 1,157—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the GT-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	GT-7
ARC	1
DFO	4
DND	2
DOE	3
DPW	2
DSS	7
IAN	2
JUS	1
MOT	12
NHW	1
NMC	16

Question No. 1,158—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the GT-8 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	GT-8
DND	2
DOE	2
DSS	3
EXT	1
ITC	1
NMC	5

Question No. 1,159—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the HR-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	HR-5
DND	1
GGS	1
IAN	1
NMC	3

Question No. 1,160—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the IS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	IS-6
AGR	3
CAE	1
CCA	1
COM	1
DFO	1
DOE	3
DPW	1
DVA	1
EIC	4
EMR	2
EXT	1
FIN	1
IAN	1
IDA	1
ITC	4
JUS	1
MOT	3
NHW	3
NPB	1
PEN	1
POD	2
STC	1
TBD	1

Question No. 1,161—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the IS-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	IS-7
COL	1
DFO	1
DOE	1
DPW	1
DSS	1
EIC	2
EMR	1
ITC	1
LAB	1
NMC	1
PSC	1
REE	1
SEC	1
STC	1

TAX	1
TBD	2

Question No. 1,162—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the LA-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	LA-2
BPA	16
CTC	1
DVA	1
ENR	2
EXT	2
FJA	1
HRC	1
IJC	1
JUS	161
NHW	1
NPB	1
RTC	3

Question No. 1,163—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the LA-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	LA-3
CTC	1
ENR	1
JUS	37
NPB	1
RTC	2

Question No. 1,164—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the LS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	LS-6
DOE	1
EXT	1
NLI	4

Question No. 1,165—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the PE-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PE-5
AGR	5
CAE	2
CTC	2
DFO	3
DND	6
DOE	1
DPW	1
DSS	1
EIC	5
EMR	1
EXT	2
IAN	4
JUS	1
MOT	10
NCC	1
NHW	1
NPB	1
PEN	1
POD	8
PSC	14
RCM	1
TAX	4
TBD	3

Question No. 1,166—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the PE-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PE-6
AGR	3
ARC	1
CAE	4
COM	2
CTC	1
DFO	5
DND	5
DOE	5
DPW	2
DSS	11
DVA	5
EIC	7
EMR	1
EXT	1
FIN	1
IAN	5
IDA	1
ITC	2
LAB	1
MOT	3
NCC	1
NHW	4
PCO	1
PEN	7
POD	7
PSC	29
RCM	1
REE	2
SEC	1
SOL	2
STC	2
TAX	2
TBD	20

Question No. 1,167—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the PE-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PE-7
AGR	2
DND	2
DOE	1

DPW	1
DSS	4
EIC	5
IAN	1
JUS	1
LAB	2
MOT	3
NHW	1
NMC	1
OCG	1
PEN	2
POD	2
PSC	17
RTC	1
TAX	3
TBD	7

Question No. 1,168—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the PG-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PG-5
	0

Question No. 1,169—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the PS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	PS-5
PEN	1

Question No. 1,170—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the S1-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SI-7
ARC	1
IAN	1
JUS	1
NHW	1
RTC	1
STC	7
TAX	4

Question No. 1,171—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the SX-1 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-1
AGR	16
AIA	1
ARC	1
CAE	11
CCA	19
CDC	1
CEO	2
COL	2
COM	18
CTC	9
DFO	14
DND	13
DOE	20
DPW	20
DSS	45
DVA	8
EIC	34
EMR	7
ENR	5
EXT	3
FIN	9
FIR	1
FJA	1
FPR	7
HRC	2
IAN	31
IDA	13
ITC	42
JUS	2
LAB	6
MED	5
MOT	45
MST	9
NCC	6
NHW	26
NMC	1
NPB	1
OCG	8
PCO	11
PEN	9
POD	25
PSC	11
REE	11
RTC	3
SEC	15
SOL	6
STC	13
TAX	19
TBD	40

Question No. 1,172—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the SX-2 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-2
AGR	16
ARC	1
CAE	10
CCA	7
CEO	1
CLR	1
COL	1
COM	9
CTC	3
DFO	14
DND	4
DOE	22
DPW	15
DSS	19
DVA	1
EIC	30
EMR	21
ENR	3
EXT	4
FIN	15
FIR	5
FPR	4

HRC	1
IAN	18
IDA	9
IJC	2
INS	1
ITC	27
JUS	3
LAB	7
MED	5
MOT	34
MST	7
NHW	19
NMC	2
OCG	4
PCO	9
PEN	11
POD	6
PSC	8
REE	20
RTC	2
SEC	3
SOL	3
STC	10
TAR	1
TAX	12
TBD	28

Question No. 1,173—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the SX-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-3
AGR	6
CAE	3
CCA	2
COL	1
COM	3
DFO	5
DND	4
DOE	6
DPW	4
DSS	5
DVA	2
EIC	11
EMR	9
EXT	3
FIN	8
FIR	1
FPR	3
IAN	7
IDA	4
INS	1
ITC	5
LAB	3
MED	3
MOT	10
MST	3
NHW	9
OCG	4
PCO	6
PEN	1
POD	3
PSC	3
REE	3
RTC	1
SEC	5
SOL	2
STC	4
TAX	5
TBD	14

Question No. 1,174—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the SX-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	SX-4
EXT	1
ITC	1
MOT	2
NHW	1
REE	1
TBD	2

Question No. 1,175—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the TR-4 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	TR-4
SEC	11

Question No. 1,176—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the TR-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	TR-5
SEC	12

Question No. 1,177—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the TR-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	TR-6
SEC	6

Question No. 1,178—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the VS-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	VS-5
AGR	12
NHW	5

Question No. 1,179—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the VS-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	VS-6
AGR	1
NHW	1

Question No. 1,180—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the VT-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-3
DND	28

[4] VT is presumed to be UT (University Teaching).

Question No. 1,181—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the VT-5 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-5
DND	1

[4] VT is presumed to be UT (University Teaching).

Question No. 1,182—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the VT-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-6
DND	1

[4] VT is presumed to be UT (University Teaching).

Question No. 1,183—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the VT-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[4]UT-7
DND	1

[4] VT is presumed to be UT (University Teaching).

Question No. 1,184—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the WP-6 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	WP-6
DVA	2
IAN	4
NPB	5
PEN	12

Question No. 1,185—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the WP-7 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	WP-7
NHW	1
NPB	1
PEN	5
SOL	2

Question No. 1,186—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the Statistician S (STA) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	[5]MA(STA)-5
DOE	1
DSS	3
ENR	2
POD	3
STC	24

[5] Statistician S(STA) is presumed to be level 5.

Question No. 1,187—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the Chief Statistician 1 (CST) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	MA(CST)-1
DSS	2
ENR	1
STC	4

Question No. 1,188—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the Chief Statistician 2 (CST) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	MA(CST)-2
DAA	1
STC	1

Question No. 1,189—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the Senior Statistician (SRS) level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	MA(SRS)-1
	0

Question No. 1,190—**Mr. Orlikow:**

On June 1, 1980, how many persons were employed with an annual salary of more than $33,600 in each department at the AO-EPS-3 level?

Hon. Donald Johnston (President of the Treasury Board):

Department or agency	AO(EPS)-3
MOT	2

Appendix 1 lists the names of the departments and agencies with their respective alphabetic codes.

Departments and Agencies listed in Schedule 1, Part 1 of the Public Service Staff Relations Act, as of March 1980

AGR	Agriculture, Department of
AIA	Office of the Administrator—Anti-Inflation Act
ARC	Public Archives

ASB	Agricultural Stabilization Board
BPA	Bureau of Pensions Advocates
CAE	National Revenue, Customs and Excise, Department of
CCA	Consumer and Corporate Affairs, Department of
CDC	Canadian Dairy Commission
CEO	Chief Electoral Officer, Office of the
CGC	Canadian Grain Commission
CIC	Canadian Intergovernmental Conference Secretariat
CLR	Canada Labour Relations Board
COL	Commissioner of Official Languages, Office of the
COM	Communications, Department of
CPC	Canadian Pension Commission
CSM	Metric Commission
CSW	Status of Women, Office of the Co-ordinator
CTC	Canadian Transport Commission
DFO	Fisheries and Oceans, Department of
DND	National Defence, Department of
DOE	Environment, Department of
DPW	Public Works, Department of
DSS	Supply and Services, Department of
DVA	Veterans Affairs, Department of
DVL	Veterans Land Act, Director of
EIC	Canada Employment and Immigration Commission/Department/ Commission
EMR	Energy, Mines and Resources, Department of
ENR	National Energy Board
EXT	External Affairs, Department of
FCT	Federal Court of Canada
FIN	Finance, Department of
FIR	Foreign Investment Review Agency
FJA	Office of the Commissioner for Federal Judicial Affairs
FPR	Federal-Provincial Relations Office
GGS	Governor General's Secretary, Office of the
HRC	Canadian Human Rights Commission
IAB	Immigration Appeal Board
IAN	Indian and Northern Affairs, Department of
IDA	Canadian International Development Agency
IJC	International Joint Commission
INS	Insurance, Department of
ITC	Industry, Trade and Commerce, Department of
JUS	Justice, Department of
LAB	Labour, Department of
LFB	Canadian Livestock Feed Board
LRC	Law Reform Commission
MED	Economic Development, Ministry of State for
MOT	Transport, Ministry of
MST	Science and Technology, Ministry of State for
NCC	National Capital Commission
NHW	National Health and Welfare, Department of
NLI	National Library
NMC	National Museums of Canada
NPB	National Parole Board
OCG	Comptroller General of Canada
PCO	Privy Council, Office of the
PEB	Pension Review Board
PEN	Canadian Penitentiary Service
POD	Post Office, Department of
PSC	Public Service Commission
RCM	Royal Canadian Mounted Police
REA	Prairie Farm Rehabilitation Administration
REE	Regional Economic Expansion, Department of
RTC	Canadian Radio-television and Telecommunications Commission
RTP	Restrictive Trade Practices Commission
SEC	Secretary of State, Department of
SOL	Solicitor General, Department of
STC	Statistics Canada
SUC	Supreme Court of Canada
TAR	Tariff Board
TAX	National Revenue, Taxation, Department of
TBD	Treasury Board Secretariat
TCB	Textile and Clothing Board
TXB	Tax Review Board
WVB	War Veterans Allowance Board

ADMIRAL ROBERT FALLS

Question No. 1,191—**Mr. Cossitt:**

Is the government renting a residence in Brussels for Admiral Robert Falls, Canada's NATO representative and, if so, what is the name of the owner, the address of the residence and any other particulars known to the government?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): The government is renting a residence in Brussels for Admiral Robert Falls, the chairman of the military committee of NATO. The house is located at number 8 Domaine de Fuji—1970 Welembeek, Brussels and is owned by Dr. and Mrs. Buisseret. The annual rental is 2,100,-000 Belgian francs which at the rate of exchange at the time of signature of the lease was equivalent to $81,816.00 Canadian. The lease was effective March 15, 1980 for a nine year and five month period but can be terminated at no cost after each triennium.

DREE—INDUSTRIES IN LAVAL

Question No. 1,193—**Mr. Roy:**

Over the past ten years, did the Department of Regional Economic Expansion contribute to the establishment or development of industries in the city of Laval and, if so, in each case (a) what was the ratio of investments to DREE grants (b) how many jobs were created?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: For the Regional Development Incentives Program:

Name of Company	Expected Eligible Costs	Incentive Offer	Direct Jobs Expected
Abattoir du Nord Ltée	604,676	60,468	18
Aero Aluminium Inc.	1,450,000	217,500	44
American Metal Spinning Ltd.	280,500	56,100	10
Analex Inc.	220,000	33,000	4
Armoires de cuisine de Montréal Ltée	510,486	51,049	27
Artisanat Renel Inc.	87,400	8,740	6
Bio-Vital Inc.	698,970	91,118	33
Borden Products Limited	1,774,000	177,400	13
Capri Embroidery Registered	33,945	3,395	11
Chandelles Tradition Ltée	158,700	29,256	21
Charland Iron Works Co. Ltd.	560,000	56,000	8
Chem Dye Corp. Ltd.	350,000	70,000	4
Cheminées Sécurité (Canada) Ltée	700,000	105,000	37
Custom Formed Metals Ltd.	370,818	72,626	39
Diamond Metal Products Ltd.	329,460	40,473	48
Duff Industries Inc.	125,580	12,558	35
Dumco Metal Products Co. Ltd.	337,870	64,837	37
Farr Company Ltd.	1,610,000	120,750	193
Fertek Inc.	395,000	79,000	12
Fibracan Inc.	370,666	37,067	15
France Steel Ltée	66,796	12,560	8
Hymac Ltd.	1,512,000	226,800	72
Laval Spirotube Inc.	379,000	75,800	10
Leisure Cedar Homes Construction Inc.	88,962	14,313	22
Les Aliments Parma Limitée	1,090,000	163,500	18
Les Ateliers P.F.C. Inc.	146,500	36,625	19
Les Croissants Vauchel Limitée	242,500	36,375	6
Les Eclairages Pa-Co Inc.	188,590	28,288	17
Lester Foods Limited	4,406,200	660,930	100

Name of Company	Expected Eligible Costs	Incentive Offer	Direct Jobs Expected
Lesters Foods Limited	599,699	95,268	78
Machinerie Laurin Inc.	376,000	75,200	20
Mapei Canada Inc.	509,000	101,800	22
Mapei Canada Inc.	405,000	81,000	10
Mondo Rubber (Canada) Ltée	933,000	186,600	27
Mulco Inc.	433,910	43,391	8
North American Food Equipment Manufacturing Ltd.	165,293	13,223	3
Oriental Olive Importing Ltd.	166,413	14,977	
Perkins Papers Ltd.	87,314	8,731	26
Preciform Inc.	219,650	50,690	19
Produits chimiques Côté Inc.	65,000	8,770	7
Prolith Inc.	242,144	12,107	11
Samuel, Son & Co. Limited	1,590,335	96,023	12
Samuel, Son & Co. Limited	7,197,500	719,750	54
Sial Ltée	150,650	26,565	12
Sopelco Limitée	318,319	55,134	11
Spiro Metal Inc.	805,000	120,750	15
Starlon Inc.	304,567	51,726	
Starnopak Inc.	250,700	38,099	14
Sto-Bert Inc.	112,612	11,261	17
The Rol Manufacturing Company Inc.	626,000	93,900	44
The Rol Manufacturing Company Inc.	197,800	14,490	5
Uni-Chem Paint Ltd.	401,615	60,242	15
Vin Geloso Wine Inc.	667,000	102,500	19
Vitrerie Claveau (1964) Inc.	95,421	9,542	3
Total	$36,008,561	$4,733,267	1,339

CBC—BLACK LISTED MEMBERS OF PARLIAMENT

Question No. 1,200—**Mr. Cossitt:**

Do the editors of such CBC Programs as the "World at Eight" and the "World at Six" possess unwritten instructions or have they made a decision on their own, that certain members of parliament are in effect "black listed" and that (a) their names are not to be used on news programs unless absolutely necessary (b) their names are to be used on programs if they can in any way be damaged (c) such a policy particulary is to apply to the Progressive Conservative Party members?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: No. No such instructions have been given and no such decisions have been made by any CBC personnel.

CBC—"WORLD AT SIX" PROGRAM

Question No. 1,201—**Mr. Cossitt:**

Since February 18, 1980, how many times on the CBC program "World at Six" were (a) Liberal Party (b) New Democratic Party (c) Progressive Conservative Party members of parliament mentioned by name?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

> The information requested is not recorded in such a way that it could be extracted without the expenditure of an inordinate amount of time, work and money.

CBC—SUBJECT OF ESPIONAGE ON NEWSCAST

Question No. 1,202—**Mr. Cossitt:**

Is it the policy of CBC to eliminate, wherever possible, from newscasts, any mention of the subject of espionage, particularly including Soviet espionage despite the fact that such subjects are covered by other news media and, if so, did Mr. Mark Starowitz, CBC producer and future TV news editor, have any input into creating it and, if so, was it before or after his associations with Mr. Konstantine Geyvandov, former Russian correspondent in the Ottawa Parliamentary Press Gallery?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

> No. The content of newscasts is based on the news events of the day plus feature items on specific subjects of general interest.

STATISTICS CANADA—USE OF SOCIAL INSURANCE NUMBER

Question No. 1,210—**Mr. MacKay:**

1. Does Statistics Canada, as empowered by the Statistics Act, impose penalties on individuals refusing to provide their Social Insurance Number (SIN) in response to a questionnaire or survey from the agency requiring such a number?

2. Does Statistics Canada, as empowered by the Statistics Act, establish cross linkages between files containing personal information on individuals without their knowledge and consent, through the use of Social Insurance Numbers to access provincial health, education and justice records and, if so, does the information collected become part of a Federal Information Bank (FIB) under the provisions of the Canadian Human Rights Act?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: 1. No.

2. (a) Statistics Canada does, in a very few instances, use the SIN as a record linkage tool to assist in the access and subsequent processing of provincial records for statistical purposes. In the area of health statistics, no regular use is made of the SIN, although a number of research projects in the area of occupational hazards have been undertaken with the use of the SIN. In the area of justice statistics, the bureau receives SIN coded records from corrections institutions in five provinces. The SIN is used in this program to verify information through a follow-up process. However, this corrections statistics program will be phased out by the end of calendar 1980. In the area of education statistics, educational staff records and university student graduation records contain the SIN, where the individual chooses to disclose the number.

   (b) None of the information contained in records described in 2(a) above becomes part of a Federal Information Bank under the provision of the Canadian Human Rights Act.

HEALTH—HOMOCYSTEINE—HEART DISEASE

Question No. 1,213—**Mr. Cossitt:**

1. Has it been determined by the Department of National Health and Welfare whether or not there is any validity to the theory that cholesterol and triglyce-

rides are not the chief culprits in the blood system causing heart disease and deterioration of the arteries but that the main cause is an amino acid called homocysteine which is also present?

2. Is the department aware that Dr. Stephen A. Raymond and Dr. Edward R. Gruberg of Massachusetts Institute of Technology have advanced this theory as well as such others as Dr. Kilmer McCully, Dr. Harry Demopoulos of New York University Medical Centre and Dr. David Wilcken, of the University of New South Wales, Sydney, Australia?

3. Is the department aware that such doctors and others have endorsed taking vitamin B-6 (75 milligrams approximately) per day to eliminate the dangers of homocysteine and, if so, have any tests been conducted in Canada to substantiate this and is the theory of vitamin B-6 considered to be plausible?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. The primary cause of coronary heart disease is not known. There is a great deal of evidence that high blood cholesterol is one of the chief risk factors for heart disease. Persons with high levels of cholesterol in the blood have a greater chance of suffering a heart attack than those with lower levels. A high blood triglyceride level without a high cholesterol level is not considered a risk factor for heart disease. The theory that the amino acid, homocysteine, is the cause of deterioration of the arteries and of heart disease is an interesting hypothesis, but has not been substantiated.

2. The department is aware that Drs. Raymond, Gruber and others have advanced this theory. The main proponents of the theory, Drs. Raymond and Gruber, have not published their work in the scientific literature. Furthermore, they have stated that the homocysteine theory is essentially just a theory, that it is not yet sufficiently confirmed by scientific and clinical tests and that much remains to be learned. The department will continue to monitor any developments in this area.

3. The department is not aware of Canadian physicians using vitamin B-6 for eliminating the dangers of homocysteine nor is the department aware of any trials done in this regard. The use of vitamin B-6 is plausible in that vitamin B-6 activates an enzyme which cleaves cystathionine, a toxic product which builds up in the brain and other tissues when the normal enzyme (cystathione synthetase) is missing as in the rare disease homocystinuria. Cleaving of the cystathionine should reduce its toxic effects.

NATIONAL DEFENCE—NATIONAL WARNING SYSTEM

Question No. 1,214—**Mr. Wenman:**

1. How many warning sirens were in place in 1970 as part of the National Attack Warning System and, how many (a) were installed over the past ten years (b) more are needed today to provide adequate warning for the entire Canadian population?

2. How many fallout monitoring posts are there throughout Canada as part of the detonation and fallout reporting system and (a) where are they located (b) what type of equipment is located in each post (c) on what date were the posts last tested (d) how many of the posts are in establishments operated by (i) the Department of National Defence (ii) other departments (e) how are the federally operated posts linked to posts operated by the provinces and municipalities?

3. Does the Canadian Armed Forces have special units designated to carry out assistance to areas damaged as a result of nuclear attack or fallout and have there been any special exercises carried out to ensure that the troops know how to conduct the type of operation for which they are intended and, if so (a) how many have there been in the past ten years (b) have any involved the participation of provincial or municipal staffs engaged in emergency planning?

4. Have any province-wide radiation defence exercises been held with provincial or municipal persons since 1975 and, if not, have any exercises been carried out on paper with provincial and municipal staffs?

5. (a) What is the operational status of the nine emergency regional headquarters in terms of (i) protection against nuclear-biological-chemical agents (ii) reserves of food supplies (iii) mechanical equipment (b) are three of the nine headquarters temporary ones and, if so, on what date are they likely to be made permanent?

6. Does Saskatchewan have a regional emergency headquarters and, if not, will it be getting any type of headquarters for war emergency operations?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence and the Privy Council as follows:

1. 1700

(a) None

(b) Cannot be determined without studies of population and urban-industrial growth since 1970.

2. The Nuclear Detonation and Fallout Reporting System (NDFRS) was disbanded in the late 1960s.

The current system is called the Canadian Forces Warning and Reporting System (CFWRS). It includes all CF bases, stations and units working through a Canadian Federal Warning Centre (CFWC) and ten Provincial Warning Centres (PWC) carry out the DND assigned responsibility for the detection, reporting and warning of nuclear attacks.

The civilian counterpart is called the Civil Radiological Defence (RADEF) system formed in the early 1960s. It is essentially a provincial/municipal system used to provide specialized information about the radiological hazard to governments to allow authorities to impose or lift restrictions on activities within the area under their jurisdiction.

The civil and military radiological data gathered by RADEF and CFWRS is analysed and acted upon at the Emergency Government Headquarters.

3. No. As a result of decisions taken at the Federal/Provincial Emergency Planning Conference of 1969, re-entry responsibilities became a provincial task. Canadian Forces will assist such actions as and when required, once military commitments have been met. The 1969 decision alters the effect of PCO 1041-1965 Civil Emergency Measures Planning Order.

4. No to both questions.

5. Operational Status of Emergency Regional Headquarters

(a) (i) Protection against nuclear-biological-chemical agents

The six permanent regional emergency government headquarters have protection against nuclear fallout only. The three interim regional emergency government headquarters have a fallout protection factor not less than 100.

(ii) Reserves of food supplies

All sites are stocked with a 14 day supply of food.

(iii) Mechanical equipment

Maintenance of the mechanical equipment is conducted regularly.

(b) Permanent status of three Interim Regional Emergency Government Headquarters

The three existing interim regional emergency government headquarters, situated in less populated provinces, are at various stages of operational readiness, however in a period of international tension, these headquarters could be made operational.

6. Saskatchewan Interim Regional Emergency Government Headquarters

The Saskatchewan interim regional emergency government headquarters is situated in Regina and the location is unacceptable. A new site has been surveyed at Moose Jaw and development plans are under way with the Department of Public Works.

CANADIAN ARMED FORCES—CAREERS IN THE SERVICE

Question No. 1,218—**Mr. Hnatyshyn:**

1. How many military college graduates started careers with the Canadian Armed Forces and remained in the service (a) over (b) under six years?

2. Did the Department of National Defence conduct exit surveys upon separation of military college graduates or subsequent exit surveys and analysis following separation?

3. How many graduates have left the service and for what reason?

4. How many aircrew members have left the service for other flying jobs and how many moved to the United States?

Hon. D. Gilles Lamontagne (Minister of National Defence): 1. Since January 1, 1970:

(a) 2115;

(b) 244.

2. No. However, as a matter of policy, all members who request release are required to state in writing the reason for requesting release. All such members are subsequently interviewed by a superior officer and all requests are reviewed at National Defence Headquarters. Special monitoring procedures for military college graduates do not exist. Information concerning the subsequent civilian or foreign employment of released officers is not collected and thus an analysis following separation is impossible.

3. Since January 1, 1970—309

The reasons were as follows:

—on request	259
—not advantageously employable or unsuitable	21
—on medical grounds	18
—death	11

4. Since January 1, 1970—49

Information whether released personnel have obtained other flying jobs is not available. Data whether released aircrew members have moved to the United States is not readily available prior to 1978 and since 1978 no released members are known to have moved there.

ANTURANE

Question No. 1,226—**Mr. Cossitt:**

With reference to the drug with the trade name anturane, generic name sulfinpyrazone, used in the treatment of gout, is the Department of National Health and Welfare aware of certain leading American medical opinions that the drug has been found useful in the treatment of myocardial infarction and, that in particular, it assists in preventing further heart attacks and, if so, what are all the details possessed by the department?

Hon. Monique Bégin (Minister of National Health and Welfare): In the issue of the *New England Journal of Medicine* of January 31, 1980, an article appeared in which it was concluded that the drug Anturan—Ciba Geigy (generic name—sulfinpyrazone), was responsible for a marked reduction in sudden death in patients during the critical first six months following their first heart attack (myocardial infarct). The manufacturer approached the United States' Food and Drug Administration (FDA) for permission to use this claim in advertising and labelling. After analysing the individual case report, the FDA refused permission on the basis that there was no statistically significant difference between treated and untreated patient groups in the number of sudden deaths, when the groupings were carefully separated on the basis of the nature of the deaths. In Canada, Anturan has been sold for many years for the treatment of gout. In recent years, the health protection branch of the Department of National Health and Welfare, on the basis of satisfactory submissions of data, has permitted claims for Anturan in diseases associated with abnormal blood clotting. The manufacturer has never approached the department for acceptance of the sudden death claim. Should the manufacturer do so, officers of the Department of National Health and Welfare would then examine the individual case histories and apply appropriate statistical analyses.

GEROVITAL H3

Question No. 1,227—**Mr. Cossitt:**

1. Is the Department of National Health and Welfare aware of a medicine known as Gerovital H-3 reported to be useful with regard to the effects of aging and a wide range of other ailments and, if so, have experiments been carried out in Canada on this medicine?

2. To the knowledge of the department, is it (a) distributed free in Roumania to everyone over 45 years of age (b) being produced in the State of Nevada (c) will it be permitted for use in Canada and, if so, on what date?

3. To the knowledge of the government, did a number of noted world figures who lived a lengthy lifespan take the drug?

4. Has the department studied the medicine and, if so, what were the results?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes. Gerovital H3 is a pharmaceutical product containing procaine, a well-known local anaesthetic. Clinical

trials with Gerovital H3 in depression were approved to be conducted in Canada, but as far as the department is aware, they were never performed.

2. (a) Gerovital H3 was apparently developed in Rumania but the Department of National Health and Welfare is unaware of the manner of distribution of the drug in that country.

(b) No information.

(c) As with any other drug for a new indication, clearance for marketing Gerovital H3 in Canada would require that the manufacturer file with the health protection branch of the department an acceptable submission including substantial evidence of the pharmaceutical quality, efficacy and safety of the product for the indications and under the conditions of use recommended. No such submission has been filed.

3. No information.

4. No.

SECURITY CLEARANCE

Question No. 1,230—**Mr. Cossitt:**

1. Was a new security clearance plan formulated by the Department of Supply and Services, under the former government, and was it about to be issued and, if so, what were all the details of the plan?

2. Has the government taken any steps in this regard and, if so (a) what are they (b) is it adopting any of the decisions of the former government and, if so, on what date will details become known?

Hon. J.-J. Blais (Minister of Supply and Services): 1. No.

2. Not applicable.

MR. ROBERT MURRAY

Question No. 1,249—**Mr. Cossitt:**

1. Is Mr. Robert Murray, sculpturer of the works on exhibit in Rockcliffe Park, a Canadian citizen?

2. Did the Canada Council state that the sculptures were being placed in Rockcliffe Park to exhibit works of Canadian artists and did Mr. Lavoie of the Canada Council state that he did not know whether Mr. Murray was Canadian or not "but he at least has strong connections with Canada" and, if so, what are Mr. Murray's strong connections with Canada?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canada Council: 1. Yes 2. (a) Yes (b) Yes (c) Mr. Robert Murray is a Canadian citizen.

PRIME MINISTER'S OFFICIAL RESIDENCE—SCULPTURE

Question No. 1,253—**Mr. Cossitt:**

1. What is a full description and the designated name of the item erected on the property at the Prime Minister's official residence, 24 Sussex Drive and (a) is it made of steel and, if not, what is the metal involved (b) is it a sculpture (c) what was the total cost thereof (d) who was the artist or manufacturer?

2. Was the item purchased from public funds and, if so, what department or Crown corporation is the owner?

3. Is it the policy of the government to erect "strange" objects on the lawn at the Prime Minister's residence?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. The designated name of the item erected on the property at the Prime Minister's official residence is *TOGIAC*;

(a) it is made of steel;

(b) it is a sculpture;

(c) it is being leased from the Canada Council Art Bank for two years at an annual rent of $500.00. The installation expenditures of $500.00 were paid jointly by Public Works Canada and the Canada Council Art Bank;

(d) the artist is Robert Murray.

2. The item was purchased from public funds by the Canada Council Art Bank.

3. It is the policy of the government that the occupant of the Prime Minister's residence select works of art for the grounds according to his personal taste. The sculpture *TOGIAC* was chosen by the previous Prime Minister and was erected on the present site last fall.

VIETNAMESE REFUGEES

Question No. 1,266—**Mr. Cossitt:**

1. Is the Department of Employment and Immigration placing pressure on refugees from Vietnam to repay transportation loans and, if so, have complaints been received that they are not able to make such payments until gainfully employed?

2. Have complaints been received by the department that such refugees have become frightened by letters received from the department on the grounds that in their previous environment, letters from a dictatorial "State" caused them fear?

3. Will the government adopt a different policy towards these people and, if so, what are all the details?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. The commission is required under section 46(1)(a) of the immigration regulations to collect loans from all immigrants. This section states that the first payment is due "on the first day of the month following the month in which the person for whose benefit the loan was made arrives in Canada." However, the initial letter sent to them asks for their co-operation in assessing their financial situation in order to arrive at a mutually agreeable repayment schedule. It also states that, if they are unable to make regular payments at this time or if their financial situation is such that they would prefer to postpone beginning repayment of their loan for some time, they should contact their local Canada Immigration Centre. (See copy below)

2. Although a small number of representations have been received, there is no indication that such letters have caused fear. It should be noted, however, that the refugees are counselled overseas as well as at the staging areas (Griesbach, Alberta and Longue-Pointe, Quebec) on the Canadian way of life.

3. No.

Ottawa, K1A 0J9

Dear: —

Subject: Transportation Loan, Account No. — Amount owing: $ —

I am writing in connection with the loan that the Government of Canada was pleased to advance to you to assist you to immigrate to this country.

Now that you have begun the task of settling into your new life in Canada, we would ask your co-operation in assessing your financial situation so as to arrive at a mutually agreeable repayment schedule for your loan. We would ask you to bear in mind that all repayments which you make will greatly aid Canada's efforts to bring others by replenishing the transportation loan fund.

If you are unable to make regular payments at this time or if your financial situation is such that you would prefer to postpone beginning to repay your loan for some time, you should either write to us or take this letter to the Canada Immigration Centre nearest your home. Immigration officials will then discuss the situation with you.

However, should your financial position allow it, Immigration regulations stipulate that the loan be repaid within a period of — months upon arrival in Canada. To retire your loan within this period therefore would require a monthly payment of $—. The total amount outstanding is $—.

If the above schedule of repayments is realistic, all cheques or money orders should be made payable to the "Receiver General for Canada" and identified with your transportation account No—. A self-addressed envelope, which requires no postage is enclosed for your convenience. We would also appreciate your keeping this office informed of any change in your address.

Your co-operation in this matter is greatly appreciated.

Yours sincerely,
for Chief,
Revenue Accounting.

PENSION APPEALS BOARD

Question No. 1,274—**Mr. Forrestall:**

1. What is the required (a) total membership (b) distribution by province of the Pension Appeals Board?

2. What is the (a) name and date of appointment of each member (b) distribution by province of the Board?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. (a) Under the provisions of section 85 of the Canada Pension Plan legislation, the pension appeals board consists of a chairman, a vice-chairman and not less than one and not more than eight other judges.

(b) There is no provision in the Canada Pension Plan legislation for distribution of appointments by provinces.

2. (a) Name	(a) Date of Appointment	(b) Province
Justice M. L. Tyrwhitt-Drake	August 23, 1966	British Columbia
Mr. Justice Jacques Boucher (Vice-Chairman)	March 13, 1969	Quebec
Mr. Justice Sam S. Bard	January 28, 1971	Quebec
Mr. Justice John N. Bugold	October 18, 1973	New Brunswick
Mr. Justice André M. Déchène (Chairman)	October 18, 1973	Alberta
Judge Elmer E. Smith	October 18, 1973	Ontario
Mr. Justice Wilfred R. DuPont	May 15, 1975	Ontario
Mr. Justice Donald H. Bowen	December 23, 1977	Alberta
Mr. Justice Jean-Marc Labrosse	December 23, 1977	Ontario

There is one vacancy.

CIDA—PROJECTS IN INDIA

Question No. 1,277—**Mr. Greenaway:**

1. What CIDA projects, by name, location and type, are being undertaken in India and, in each case, what (a) was the date of commencement (b) is the projected date of completion?

2. In each case, how many (a) Canadian (b) local personnel are involved and (i) in what capacity (ii) for how long have they been involved (iii) for how long are they expected to continue on each project and what is the cost to Canada?

3. In each case, what (a) equipment (b) machinery (c) other material has Canada supplied and at what cost?

4. What CIDA projects, by name, location, type and cost projection are contemplated for India over the next three years and, in each case (a) what is the expected commencement and completion date (b) how many (i) Canadian (ii) local personnel will be involved?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1, 2 and 3. The following projects are currently being undertaken in India by CIDA:

Location:	Hyderabad, India
Type:	Experts, training, scholarships and associated equipment and supplies for agricultural research.
Date of Commencement:	Agreement signed April 1969.
Date of Completion:	1980
Canadian Personnel:	A team of Canadian agricultural experts has been in India since 1969 through successive stages of the project. At present there are five Canadians in the field who will remain until the completion of the project.
Local Personnel:	6 trainees
Project Cost:	Total cost estimated at $5,350,000, allocated approximately as follows: experts $2,205,300; training $57,400; equipment and supplies $3,087,300.

CIMMYT Training

Location:	India and Mexico
Type:	Grant to the International Maize and Wheat Improvement Centre (CIMMYT) in Mexico towards a program of training, consulting services, technical exchanges and equipment in support of wheat and maize research in India.

Date of Commencement:	Agreement signed January 1979.
Date of Completion:	1981
Canadian Personnel:	none
Indian Personnel:	24 Indian scientists are expected to visit the Centre in Mexico for training.
Project Cost:	$450,000 allocated for training programs and seminars; consultancies; grain testing programs; and supplies, equipment and seed.

Agricultural Credit

Location:	All India
Type:	Cash grant to the Agricultural Refinance and Development Corporation for on-lending to farmers.
Date of Commencement:	Agreements signed February 1979 and March 1980.
Date of Completion:	1981
Canadian Personnel:	none
Local Personnel:	none
Project Cost:	$40,000,000.

Oil and Natural Gas Sector Loan

Location:	All India
Type:	Line of credit for the purchase of approved equipment and supplies from Canada.
Date of Commencement:	Agreement signed June 1980.
Date of Completion:	1983
Cost:	$15,000,000
Canadian Personnel:	none
Local Personnel:	none

4. There are several projects in various stages of the planning process. Since those projects are yet to be completely defined and subsequently formally approved by India and Canada it is not possible to provide the specific information requested. In general these projects include: technical assistance for introducing agricultural extension programs in drylands areas; further support for agricultural credit; improvement of production and marketing of oilseeds using the proceeds of food aid provided from Canada; dairy development; provision of equipment and services for mineral development and processing; airport navigational aids equipment; the provision of turbines and generators for a major hydro-electric installation; and equipment for the telecommunications sector.

CNR—FREIGHT TRAINS THROUGH BROCKVILLE

Question No. 1,279—**Mr. Cossitt:**

1. Did the Canadian National Railways issue instructions to freight train engineers, as of June 29, 1980, that they are to proceed through the centre of the city of Brockville at 60 miles per hour on the south track and 40 miles per hour on the north track?

2. Do freight trains, at present, usually stop in Brockville to change crews and, if so, was the change in speed recommended because stops will no longer be made for such a purpose?

3. Did CNR or the government give consideration to the possible results of a derailment at 60 miles per hour particularly of trains carrying chemical cargoes, and the spill over from one train into another train on the other track within the city limits?

4. Will the government and/or CNR issue an order to all freight trains proceeding through Brockville on or after June 29, 1980, to reduce their speed substantially and (a) if so, what will the speed be (b) if not, for what reason?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows:

1. CN Rail did not issue instructions to freight train neers on June 29, 1980 with regard to the speed that they should travel through Brockville.

2. Since June 29, 1980, some freight trains do not stop in Brockville to change crews. There was no consequent recommended change in speed.

3. Canadian National considers safety of operations to be of prime consideration when establishing or changing procedures.

4. At Canadian National, safety is part of our goal in daily operation and it has not been found necessary to reduce train speed through Brockville as present speeds have not been detrimental to safe operations.

EDMONTON INTERNATIONAL AIRPORT

Question No. 1,281—**Mr. Lambert:**

1. (a) What is the present status of the project or either section of it arising from the decision of the previous administration to go ahead with expansion and amelioration improvements to the Edmonton International Airport, as to the runways and to the terminal building (b) was there a review instituted of the decision and, if so, for what reason?

2. Is the government aware of the grave inconvenience being caused to the travelling public by the insufficiency of facilities, the long delays occasioned particularly to persons returning to Canada being processed through immigration and customs facilities?

3. What, if any, additional parking facilities for airline passengers, the general public and the increasing volume of employees may be forecast for early installation?

4. Is any serious consideration being given to any multi-storey parking in the immediate vicinity of the International Air Terminal so as to reduce the ever-lengthening walking requirements from ground level parking?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. (a) The project to expand and renovate the air terminal building at Edmonton International Airport is proceeding. Relatively minor changes have been made to the originally approved plans as a result of continuing study of some subsystems and consultation with carriers. The over-all project schedule has slipped three to four months.

A project to repair and strengthen some taxiways is programmed for summer 80/81 and a major project to overlay runway 01-19 and the paralled taxiways is programmed for 81/82—82/83.

(b) No review was made of the decision to expand and renovate the air terminal building other than the normal ongoing attention given to such major projects.

2. The government is aware of the deficiencies in the Edmonton International Air Terminal building and of the inconveniences this causes.

3. A project proposal was developed to add 1020 surface parking spaces to the existing 960 spaces during 1980/81 and

1981/82 at a cost of $4.7 million. Departmental and Treasury Board approvals have not been given to date for this proposal. Forecasts indicate the need for a doubling of parking spaces within the next two years.

4. Consideration is being given to providing a multi-storey parking structure at Edmonton in the future. The Minister of Transport in the previous administration directed that Transport adopt the strategy of providing surface parking expansion first in order to defer the probable large costs of a parking structure for five to six years.

MONITORED CONVERSATIONS—MOBILE TELEPHONES

Question No. 1,282—**Mr. Beatty:**

1. Does the government monitor conversations to and from mobile telephones and, if so, for what reason?

2. (a) How many employees are employed in monitoring such conversations (b) in what centres are they located and how many are located in each?

3. What regulations, if any, govern the monitoring of such communications in order to protect the privacy of the individuals involved?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

1. The government does not monitor conversations to and from mobile telephones. The Department of Communications, however, does conduct routine radio spectrum surveillance programs for the purpose of determining that the technical aspects of spectrum usage are in conformity with national and international regulations and technical standards established to ensure its effective use. Other specific requirements for monitoring are for the mitigation of interference to radio, television or other communication services or the utilization of scanning techniques to establish spectrum occupancy as an aid to the frequency assignment process.

2. A total of 13 people are involved in the department's monitoring program, none of which are employed for the purpose of monitoring the conversations to and from mobile telephones. Such stations are located at:

St. Lambert de Lévis, Quebec	4 employees
Acton, Ontario	5 employees
Fort Smith, N.W.T.	2 employees
Langley, B.C.	2 employees

3. The privacy sections of the Criminal Code (S.178.11(2)(d)) exempts an officer or servant of Her Majesty in right of Canada in respect of a private communication intercepted by him in the course of random monitoring that is incidental to radio frequency management. All personnel performing such duties, however, have signed an oath of secrecy. Additionally, section 9(2) of the Radio Act prohibits the divulging or making use of communications transmitted by other than broadcasting undertakings except under special circumstances. (courts of inquiry, etc.)

NATIONAL DEFENCE—TRANSPORTATION OF MUNITIONS

Question No. 1,288—**Mr. Stewart:**

1. Are obsolete munitions and rockets being transported through areas of Canada and, if so (a) since what date (b) what are the points of (i) origin (ii) destination in Canada?

2. Is such material transported from CFB Borden and, if so (a) by what means (b) how many times per week or month?

3. What is the safety record of such transportation including the number of accidents that have happened since it began and how many of the accidents could be classified as being potentially dangerous in any way?

4. What is the purpose of the transportation of such material?

5. What tests, if any, have been taken by any department to determine the dangers involved and what precautionary measures should be taken?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes.

(a) Since the early days of the establishment of armed forces in Canada.

(b) (i) (ii) The points of origin and destination could be any Canadian Forces facility with munitions storage capability.

2. Yes.

(a) Road or rail.

(b) There is not sufficient frequency to establish a times per week or month.

3. There is no record of a transportation accident resulting from the transport of obsolete munitions.

4. Disposal by sale; NATO aid; or destruction.

5. Transportation tests are conducted on munitions on introduction into service. These tests are valid for the srvice life of the store.

POST OFFICE—FLESHERTON, ONT.

Question No. 1,290—**Mr. Mitges:**

What was the total cost of the recent repairs to the roof, including insulation, of the Post Office in Flesherton, Ontario?

Hon. Paul J. Cosgrove (Minister of Public Works): The total cost of the recent repairs to the roof, including insulation, of the Post Office in Flesherton, Ontario was $3,921.

PUBLIC SERVICE—RECOMMENDATIONS—SPECIAL JOINT COMMITTEE ON EMPLOYER-EMPLOYEE RELATIONS

Question No. 1,291—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That students hired during their school vacation period be excluded from collective bargaining.

That the review of the Public Service Employment Act determine the process applicable to the appointment of casuals.

That the matter of length of casual service and its relationship to permanent or indeterminate appointment also be dealt with by the review recommended.

That the employer be able to release a casual employee without notice and without redress.

That after working 60 days in any continuous period of 6 months, casual employees be subject to the terms of the appropriate collective agreement.

That after working 60 days in any continuous period of 6 months, a casual employee will qualify for any retroactive pay due for days worked during the retroactive period.

and, if so, did the government implement the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): The government is aware of all of the recommendations by the Special Joint Committee on Employer-Employee Relations in the Public Service in a report to parliament in February, 1976. The government has not implemented these recommendations as they require legislative amendments to the Public Service Staff Relations Act as well as in some cases, consequential amendments to other acts of Parliament.

The government is currently reviewing these recommendations as well as others related to the Public Service Staff Relations Act, namely those of Mr. Finkelman in 1974 and 1975, by the Royal Commission on Financial Management and Accountability in March, 1979, and by the special review committee on personnel management and the merit principle in September, 1979. It is anticipated that, based on these various reports, comprehensive amendments to the Public Service Staff Relations Act, Public Service Employment Act, Financial Administration Act and other acts will be introduced in parliament in due course.

Question No. 1,292—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February, 1976, as follows:

That where a bargaining agent conducts a strike vote, or submits a proposal for a collective agreement to its membership for approval,

(a) The vote should be carried out by secret ballot in accordance with procedures prescribed by regulations of the Public Service Staff Relations Board; and

(b) A breach of the regulations of the board in this respect should constitute a contravention of the act, and the union or persons concerned should be subject to the appropriate penalties.

That where a bargaining agent conducts a strike vote or submits a proposal for a collective agreement to the member of the unit for ratification, every member of the unit should be entitled to vote, and any act by a union or union official, or any other person, to prevent a member of the bargaining unit from voting should constitute an offence under the Act.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,293—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

Where the action of the employer results or will result in the termination of employment of an employee from a position in the public service, and the reasons alleged by the employer are misconduct, abandonment of position, incompetence or incapacity, the employee should be entitled to grieve the termination action.

Where the employee's grievance has not been dealt with to his satisfaction at the final level, he should be able to refer it to the Public Service Staff Relations Board for adjudication.

The adjudicator should be empowered to rescind the termination where he upholds the employee's grievance, or substitute other action if the employer's action was not well-founded but he should not be empowered to recommend or effect an alternate appointment.

The Public Service Commission should on request reappraise every employee whose employment in a position in the public service has been involuntarily terminated to assess whether the employee is suitable for appointment to another position.

An employee found suitable for appointment following reappraisal should be entitled to have his name entered on any appropriate eligibility list and for a period of time (e.g. one year) enter closed competitions.

Where the employee is appointed within the period referred to above, ordinary rules of continuity of employment should apply to him.

None of the procedures referred to above involving redress of grievance and opportunity for re-employment should apply to an employee who is offered and accepts another position in lieu of termination.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,294—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the paragraph of the act which defines "person employed in a managerial or confidential capacity" be amended to read as follows:

"persons employed in a managerial or confidential capacity" means any person who

(a) Is employed in a position confidential to the Governor General, a Minister of the Crown, a judge of the Supreme or Federal Court of Canada, the deputy head of a department or the chief executive officer of any other portion of the Public Service;

(b) Is employed as a legal officer in the Department of Justice;

(c) Is employed as an officer or employee on the payroll of the Treasury Board;

(d) Is directly involved on behalf of the Public Service Commission in a formal process of

(i) Appointments

(ii) Consultation, or

(iii) Redress

prescribed by or under the Public Service Employment Act;

(e) Effectively participates in the determination of government policies or programs, or participates in the approval of plans of organization;

(f) exercises effective control over employees;

(g) (i) Is directly involved on behalf of the employer in the process of collective bargaining or consultation prescribed by this act or exercises appointing authority on behalf of the employer; or

(ii) Is primarily engaged in the administration of personnel policies or programs other than a person whose duties are of a routine or clerical nature;

(h) Is a person to whom the persons identified in subparagraphs (c), (d), (e), (f) or (g) are directly accountable in respect of the duties described in such sub-paragraphs; or

(i) Is engaged in confidential duties under the exclusive direction and control of a person or persons indentified in subparagraphs (b), (c), (d), (e), (f), (g) or (h) other than a person in a support capacity whose confidential duties relate solely to the processing of grievances at the first level in the grievance procedure established under this act,

and includes any other person who, in the opinion of the board should not be included in a bargaining unit by reason of a conflict between his duties and responsibilities to the employer and any interest he might have as a member of a bargaining unit.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,295—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the purpose of the pay research bureau continue to be that of supporting the collective bargaining process, to assist in the resolution of employer-employee disputes in the Public Service of Canada, and where appropriate to provide data to assist the collective bargaining process generally in the public sector.

That the independent character of the pay research bureau which has always been operationally independent of the government, the employer and the bargaining agents in the Public Service of Canada, continue to be maintained under the administrative control of the Public Service Staff Relations Board.

That the advisory committee on pay research established to assist the pay research bureau in the determination of program priorities and methods continue in this role and that the board encourage the involvement of all public service bargaining agents and all public service employers in the work of the committee with a view to widening the support which the bureau provides to the collective bargaining process.

That the pay research bureau's activities, methodology and information receive greater publicity so that its value and importance may receive wider recognition from employees in the Public Service of Canada as well as from the general public, thereby influencing the collective bargaining process and assisting in the resolution of employer-employee disputes.

That wherever possible and without detracting from its primary purpose, the pay research bureau be encouraged to make available its reports for public distribution.

That the pay research bureau be empowered to co-operate with similar agencies in other jurisdictions in Canada towards the most efficient and effective gathering, presentation and distribution of employment data.

That, in order to achieve the aim of the above recommendations, the Public Service Staff Relations Act provide for a Pay Research Bureau, subject to the direction and regulation of the Public Service Staff Relations Board, to collect, analyse, present and make available data relating to terms and conditions of employment and related matters in public and private employment.

That, recognizing the complexity of the issues faced by the Public Service Staff Relations Board in the discharge of its responsibilities including the rendering of arbitration awards within the terms of reference established by section 68 of the Public Service Staff Relations Act, the Public Service Staff Relations Board be encouraged to undertake to improve the arbitration process.

and, if so, has the government implemented the recommendation and, if not, why not?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,296—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That changes in technology, operations, organization or any other dimension of the structure or character of the employer's resources to provide service to the public be recognized as a prerogative of the employer.

That the employer be obliged to bargain the impact of adverse changes on employees which may occur as a consequence of the employer's action referred to above, including the advance notice of such changes and the details to accompany the notice.

That the Public Service Staff Relations Board have the authority and responsibility to provide for a mediator to assist the parties where there are differences.

That the Public Service Staff Relations Board be empowered to arbitrate or to establish an arbitration tribunal to arbitrate unresolved disputes arising out of negotiations undertaken to deal with technological change.

That resort to strike or lockout to resolve technological change disputes be prohibited.

That the statute prohibit the employer from laying off an employee during the period of notice recommended above, and that the parties be empowered to negotiate, and the arbitrator to establish where relevant, the compensation to be paid to employees whose job security will be or has been adversely affected by the changes.

That any agreement reached or arbitration award made as a result of negotiations involving technological change be treated under the law as a "special agreement" (or award) superseding the provisions and term of the ordinary collective agreement entered into by the parties and operative for such period as may be prescribed in the special agreement or award.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,297—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That classification grievances which are not resolved in the grievance process should be referrable to adjudications.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,298—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That, having regard to the established jurisdiction of bargaining agents in the Public Service, bargaining classification standards be interpreted to mean the determination of the relative worth of jobs within an occupational group.

That provision be made in the law for the bargaining of classification standards following the three-year period after promulgation.

That collective agreements incorporating classification standards be treated as "special agreements having their own duration".

That in accordance with regulations made by the Public Service Staff Relations Board, disputes arising in negotiations and involving the development or redevelopment of a classification standard be subject to reference to and arbitration by the board.

That the provisions of the act relating to the appointment of conciliation boards or conciliators not apply in cases of disputes arising out of the negotiations of classification standards, but that the board be empowered to appoint a mediator.

That resort to strike or lockout to resolve classification disputes be prohibited.

That arbitration of the pay plan attached to a classification standard be dealt with by the Public Service Staff Relations Board only with the consent of both parties.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,299—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the Public Service Staff Relations Board, upon application, and when it finds that there is an unlawful strike or lockout, be empowered to issue a cease and desist order in all cases of violation.

That such an order be filed in court and entered in the same manner as a judgment and be enforceable as such.

and, if so, has the government implemented the recommendation and, if not, why not?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,300—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That fines levied by the Public Service Staff Relations Board on employees, or officials of the employer, or on a bargaining agent, be recoverable if necessary by an order of the court.

That where the employer is in contravention, the Public Service Staff Relations Board should be required to provide the minister through whom it reports to parliament, with a description of the offence, and the minister should be required to table the Public Service Staff Relations Board's report in parliament within a prescribed period.

That where the action has been taken in the case of the employer by a department or agency, or in the case of a bargaining agent by a component, division or local of the bargaining agent, the department, agency, component, division or local should be identified.

and, if so, has the government implemented the recommendation and, if not, why not?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,301—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That where "designated employees" have interrupted or impaired services by an unlawful strike or there has been an unlawful lockout and no action has been initiated by the employer or bargaining agent against the contravening parties, then a Special Commissioner whose office shall be independent should be empowered to initiate legal proceedings.

That the Special Commissioner's authority to initiate proceedings be limited to the period beginning 15 days after the date of the alleged contravention, and terminating 45 days later.

That the Special Commissioner should not be able to initiate any action against any person if a proceeding in respect to that offence has already been initiated.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,302—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That unlawful offences under the act be dealt with by identifying the party, the nature of the illegal activity, the available option and the forum before which the hearing would take place, and also the maximum penalties for each unlawful activity.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,303—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the Public Service Staff Relations Act be amended to require the designation of all employees whose functions involve the provision of services which in accordance with this act are to be provided without interruption.

That the bargaining agents and the employers continue to be required to determine, by agreement, the employees in the bargaining units who are to be designated.

That the Public Service Staff Relations Board continue to be empowered to make determinations regarding the appropriateness of a "designation" where the parties cannot reach agreement.

That, where necessary, the techniques of examination, mediation and reference to established precedent be employed to resolve disagreements in connection with the determination of designated employees and to assist in what will be initially an extensive task.

That permanent lists of designated employees for each bargaining unit be filed with the Public Service Staff Relations Board.

That the Public Service Staff Relations Board establish appropriate processes for ensuring that the lists of positions and incumbents are kept up to date and for dealing with proposed amendments in the lists submitted to it by the employer or the bargaining agents concerned.

That the incumbents of the designated positions be informed by the Public Service Staff Relations Board of their obligation under the act with special reference to the penalties for unlawful activity.

That the proceses referred to in recommendation 20 distinguish among proposals which involve a change in incumbent, a new position comparable to a position previously designated, and a position in respect of which the employer cannot rely on a precedent.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,304—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That three procedural remedies be available for dealing with unlawful actions:

(i) Disciplinary action by the employer, reviewable through the grievance process and adjucation.

(ii) Prosecution of an offence before the Public Service Staff Relations Board and disposition of the case by the Public Service Staff Relations Board.

(iii) Prosecution of an offence in the courts after obtaining consent to prosecute from the Public Service Staff Relations Board and disposition of the case by the courts.

That the statute provide a schedule of offences and penalties applicable to the class of offence.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,305—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the law be revised to provide for the designation of employees:

To protect members of the public against an imminent threat to their health, where the withdrawal of services would pose such a threat.

To ensure the continuation of important experiments particularly long-term experiments or research where the withdrawal of services would place them in jeopardy.

To maintain the necessary physical environment for the security of national treasures.

To ensure that temperature of all public buildings does not fall below 5° Celsius.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,306—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the President of the Privy Council, upon the recommendation of the Public Service Staff Relations Board, acting on his own initiative or upon application, may refer a dispute or difference between employer and employee that exists or is apprehended to exist to an inquiry commission for investigation and report to the President of the Privy Council.

and, if so, has the government implemented the recommendation and, if not, why not?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,307—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That when parliament is dissolved, the governor-in-council be empowered to suspend the right to strike, whenever in its opinion a strike is adverse to the public interest.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,308—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That the general principle of collective bargaining law governing the Public Service of Canada is sound and the rights granted should not be withdrawn merely to overcome inconvenience.

That the bargaining agents, subject to the conditions of the statute and the recommendations to follow, continue to be able to choose arbitration or conciliation-strike, as the method of dispute resolution.

That there is a need for additional procedural and substantive amendments to the law governing the collective bargaining relationship, and more appropriate remedies for unlawful activity.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,309—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That certain revisions to the Public Service Employment Act be made immediately to allow the Public Service Commission to operate efficiently under the present statute and that the Public Service Commission, after consultation with the bargaining agents and the employer, develop proposals for such revisions.

That parliament consider the proposed changes to the Public Service Employment Act as soon as possible, bearing in mind their relationship to changes recommended in the Public Service Staff Relations Act.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

Question No. 1,310—**Mr. Herbert:**

Is the government aware of the recommendation by the Special Joint Committee on Employer-Employee relations in the Public Service in a report to parliament in February 1976 as follows:

That a special task force be established to review the Public Service Employment Act and the role of the commission in personnel management and employer-employee relations in the Public Service; and

That the review include an examination of the role assigned the Public Service Commission and its relationship to the Treasury Board secretariat and the Public Service Staff Relations Board.

That the review entail a study of the relationship of the Public Service Commission and the departments and agencies; and consider the development of an audit system for performance accountability with respect to matters delegated to departments and agencies under the Public Service Employment Act.

and, if so, has the government implemented the recommendation and, if not, for what reason?

Hon. Donald J. Johnston (President of the Treasury Board): See reply to question No. 1,291 answered this day.

PROGRAMS—RENEWABLE ENERGY RESOURCES

Question No. 1,311—**Mr. Schellenberger:**

1. Are any programs which are designed to promote the use of renewable energy resources underway in the (a) Department of Energy, Mines and Resources (b) Department of Public Works, apart from PASEM and PUSH (c) Canada Mortgage and Housing Corporation (d) Department of Agriculture (e) Department of Supply and Services (f) National Research Council and, if so, in each case, what is the (i) name of the program (ii) budget?

2. Are reports available for any or all of the programs?

Mr. David Collenette (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Energy, Mines and Resources is concerned:

1. (a) Yes

(i) Program	(ii) Budget
Forest Industry Renewable Energy (F.I.R.E.) Program	$104 million over five years

Federal-Provincial Agreements for the Development and Demonstration of Conservation and Renewable Energy Technologies	$113.8 million over five years

2. No.

In so far as Public Works Canada is concerned:

1. (b) Yes

(i) and (ii) Apart from the PUSH and PASEM programs Public Works Canada is charged with the Low Energy Building Design Awards Program which seeks to encourage the adoption of energy efficient commercial and industrial building designs and systems, with particular emphasis on benefiting from passive solar heating techniques. The budget for this program is $420,000.

2. Yes, reports are available for the Low Energy Building Design Awards Program.

In so far as the Canada Mortgage and Housing Corporation is concerned:

1. CMHC has no program in operation designed specifically to promote the use of renewable energy resources. The corporation does however collaborate with Public Works Canada in the PASEM and PUSH programs and, through its appraisal technique, makes appropriate allowance for solar energy installations.

2. No.

In so far as Agriculture Canada is concerned:

1. (d) Yes.

(i) Energy under the contracting-out program.

(ii) For 1980-81, 23 contracts at an estimated cost of $476,200.

2. Yes.

In so far as Supply and Services is concerned:

1 and 2. Although DSS acts as a service agency in support of the operational programs of other federal government departments and agencies, it has not been the originator of in-house programs for the use of renewable energy resources.

In so far as the National Research Council is concerned:

1. (f) NRC is responsible for R/D programs to develop technology relating to renewable energy resources. NRC does not administer any programs designed to promote the use of renewable energy resources.

2. Not applicable.

PROGRAM OF ASSISTANCE TO SOLAR EQUIPMENT MANUFACTURERS (PASEM)

Question No. 1,312—**Mr. Schellenberger:**

1. Since the inception of PASEM (Program of Assistance to Solar Equipment Manufacturers), which firms have been awarded moneys for the manufacture of solar equipment, and what amount per year did each receive?

2. On what date is it estimated that the evaluations which are being made of the Department of Public Works buildings by the firms, and the resultant proposals for the installation of hot water systems on certain of the buildings, will be completed?

3. Will the evaluations and proposals be made available to the public?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. Firms

Firms	Contract Amount	Crown's Share	Expended 79/80	Expended 80/81*
Amherst Renewable Energy Perth, Ontario	$ 366,042	$ 245,546	$ 86,575	$ 43,783
Solar Systems Industries Ltd. Richmond, B.C.	323,707	225,780	106,896	9,881
Ottawa Solartronics Ltd. Kanata, Ontario	275,155	198,689	100,911	31,595
Thermo Solar Inc. Ville St. Laurent, P.Q.	379,875	239,906	105,938	55,217
Temspec Ltd. Downsview, Ontario	435,900	283,595	198,471	22,289
Solatherm Inc. Mississauga, Ontario	569,440	300,000	89,451	
Watershed Energy Systems Ltd. Toronto, Ontario	$ 478,318	$ 300,000	$118,542	$ 28,894
Nortec Solar Industries Ltd. Ottawa, Ontario	403,606	284,905	147,904	53,183
G.S.W. Ltd. Mississauga, Ontario	319,330	207,998	10,314	762
Electrohome Ltd. Kitchener, Ontario	359,756	241,103	—	16,939
Total	$3,911,129	$2,527,522	$965,002	$262,543

*To July 16, 1980

2. The solar programs office is charged with the management and administration of the PUSH Program which is expected over the five-year duration of the program to contract over 2000 solar heating systems on federal government buildings (for many departments) and for buildings owned and operated by various Crown corporations.

This is an ongoing process and currently the solar programs office is evaluating feasibility studies, design studies and detailed designs for over 200 projects. These projects are not restricted to the PASEM winners.

The PASEM winners have been given the opportunity to develop turnkey proposals for suitable solar installations to demonstrate their product, state of the solar construction art in Canada as a means of providing base line information in the evaluation of future proposals. These projects are currently being scheduled for completion by the end of September.

3. The proposals and evaluation procedures are not confidential. The solar programs office have a view to educating the Canadian solar design and engineering community.

The general designs and cost estimates of these projects as well as all other PUSH funded projects will be available to the public as part of the information/publication strategy.

PURCHASE AND USE OF SOLAR HEATING PROGRAM (PUSH)

Question No. 1,313—**Mr. Schellenberger:**

1. Since the inception of PUSH (Purchase and Use of Solar Heating) program, what amount of the $125 million initially allocated has been spent to date?

2. How many purchases of solar space and water-heating equipment were made by the government under PUSH and, in each case (a) what was the dollar amount (b) on what date was it made (c) what type of equipment was purchased and where was it installed?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. $2,376,000.

2. The following purchases of equipment were made under the PUSH program:

(a)	(b)	(c)
$25,400.00	October 1979	Domestic Hot Water and Space Heating Manager's Residence Gunton, Manitoba
$12,900.00	November 1979	Domestic Hot Water and Space Heating Office and Maintenance Building Haliburton, Ontario
$ 4,000.00	November 1979	Domestic Hot Water Rideau Canal Bldgs. 3 Bldgs. Ontario

The above projects are complete. The following projects are still underway:

(a)	(b)	(c)
$23,000.00	March 1980	Solar Panels Petawawa Ntl. Forestry Institute Petawawa, Ontario
$ 8,540.00	April 1980	Domestic Hot Water CEIC Bldg. Sherbrooke, Québec
$12,300.00	April 1980	Domestic Hot Water Côté Bldg. St-Jean, Québec
$14,000.00	April 1980	Domestic Hot Water Federal Bldg. Granby, Québec
$14,000.00	April 1980	Domestic Hot Water Federal Bldg. Drummondville, Québec

PRINCESS PATRICIA REGIMENT—ALBERTA

Question No. 1,318—**Mr. Cossitt:**

1. Are the Princess Patricias stationed in Alberta and, if so, in what location?

2. Are members of the regiment drawing welfare payments or have any of them ever done so and, if so (a) how many and what are/were the ranks involved (b) are/were they drawing such payments because of the high rentals being charged to them with a result that they have little left for food, etc. and, if not, what are/were the reasons (c) will or has the government taken steps to correct the situation and (i) if so, what are/were they (ii) if not, for what reason?

Hon. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Yes, Calgary.

2. (a) (b) (c) The Department of National Defence is not aware of any members of the regiment who are or ever were drawing Alberta's social allowance.

CANADIAN FILM DEVELOPMENT CORPORATION

Question No. 1,320—**Mr. Friesen:**

1. What was the Canadian Film Development Corporation's advertising budget for 1979?

2. What is the projected advertising budget for 1980?

3. What amount did CFDC spend on (a) advertising (b) entertainment and accomodation at the Cannes Film Festival in (i) 1979 (ii) 1980?

Hon. Francis Fox (Secretary of State): I am informed by the Canadian Film Development Corporation as follows:

1. In 1979-80, the Canadian Film Development Corporation spent $54,208 on advertising.

2. The CFDC's advertising budget for 1980-81 is $50,000.

3. In 1979-80: $198,000 In 1980-81: $220,000

(including transportation, accommodation, promotional and advertising expenses—in other words, all expenses incurred for the Cannes Festival before, during and after the event).

NATIONAL DEBT

Question No. 1,331—**Mr. Cossitt:**

1. What is the per capita national debt in Canada?

2. In proportion to the population, is Canada's deficit approximately double that of the United States and, if not, how does it compare with the United States?

3. What percentage of the annual expenditures in the current fiscal year will be consumed by interest payments on the national debt?

Hon. Pierre Bussières (Minister of State (Finance)): 1. The term "national debt" has been interpreted as the public debt of the federal government in the response to this inquiry. The federal government's public debt is recorded on both a gross and net basis with the difference being the net recorded assets of the federal government. The per capita gross debt was $4,169 as of March 31, 1979, and is estimated to have been $4,479 as of March 31, 1980. The per capita net debt was $2,360 of March 31, 1979, and is estimated to have been $2,818 as of March 31, 1980. As a percentage of GNP the gross debt has been reduced from 55.7 per cent in 1962 to 40.7 per cent as of March 31, 1980. Similarly, the net debt has

fallen over the same period from 33.4 per cent of GNP to 26 per cent of GNP.

2. The most comparable figures for the Canadian and United States deficits are those on a national accounts basis, where the per capita Canadian federal government deficit was $386 in 1979, while that of the United States federal government was $48. The most comparable debt figures are for the total outstanding unmatured debt. For the Canadian federal government, the per capita value for this series on March 31, 1980, was $3,018. That of the United States federal government was $3,946.

3. In the Minister of Finance's April 21 address, total public debt charges, including commissions, discounts, premiums and servicing costs, were forecast at some $10.8 billion for the 1980-81 fiscal year. This represented 17.9 per cent of the projected total outlays of $60.4 billion for 1980-81. Since that time the Minister of Finance has indicated that the speed of the decline in interest rates is likely to result in debt charges being somewhat lower than in the April forecast. This would result in those charges representing a slightly smaller percentage of total outlays.

MESSRS. FILLMORE AND LEBLANC

Question No. 1,332—**Mr. Cossitt:**

Were employees named Fillmore and Leblanc released from service in 1979 from Dorchester Penitentiary, New Brunswick and, if so (a) on what dates (b) for what reasons?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

Messrs. Fillmore and Leblanc resigned from the Correctional Service of Canada.

(a) February 23, 1979.

(b) The Correctional Service of Canada considers that reasons for an employee's resignation are personal and respectfully suggest that the best source from which to obtain this information would be the individual himself.

CANADIAN EMBASSY—MOSCOW—LOCALLY ENGAGED STAFF

Question No. 1,333—**Mr. Cossitt:**

1. With reference to the answer to question No. 164 which asked in part, the names, addresses, job designations, salaries and reasons for leaving of Russian citizens who have resigned posts at the Canadian embassy in Moscow, what are all the reasons that the government was only able to give the names and the reasons for leaving?

2. Does the government possess the addresses and salaries of Russian nationals working at the embassy in Moscow and (a) if so, what are they (b) if not, for what reason?

Hon. Mark MacGuigan (Secretary of State for External Affairs):

1.

Employee	Position Title	Salary
Davydova, L.	Commercial Officer	Rbls 4,380 p.a
Fatyanova, A.	Translator	Rbls 3,060 p.a.
Kuritsin, S.	Driver	Rbls 3,240 p.a.
Nuestroyev, V.	Driver	Rbls 3,360 p.a.
Popikov, A.	Driver	Rbls 3,060 p.a.
Mishen, S.	Driver	Rbls 3,120 p.a.
Cherkasova, L.	Consular Translator	Rbls 3,060 p.a.
Nilubov, V.	Driver	Rbls 3,060 p.a.

2. The government does possess the addresses, however, they are not given since departmental policy in keeping with the spirit of the Canadian Human Rights Act is not to provide such personal information on its employees.

EXPORT DEVELOPMENT CORPORATION LOANS TO U.S.S.R.

Question No. 1,335—**Mr. Vankoughnet:**

1. Did the Export Development Corporation provide loans or loan guarantees to the USSR for the purchase of equipment, licenses, services, technical documentation and know-how, to construct, expand and modernize the Soviet auto industry and, if so, in what amount?

2. Will the money be repaid in dollars or by the delivery of products?

3. Is there any provision to ship Canadian cars to Russia?

Hon. Ed Lumley (Minister of State (Trade)): Export Development Corporation states that:

1. No.

2. Not applicable.

3. Not applicable.

DEFENCE—PER CAPITA SPENDING

Question No. 1,338—**Mr. Herbert:**

1. What has been the estimated per capita spending for defence in each of the past five years expressed in constant dollars and, in each year, what percentage of that cost was spent outside Canada?

2. To the knowledge of the government, what is the present approximate per capita spending for defence by the United States?

Hon. Gilles Lamontagne (Minister of National Defence): 1. The per capita spending for defence has been calculated for each fiscal year and then adjusted to 1979-80 dollars using the Statistics Canada implicit price index for gross national expenditures.

	Department of National Defence	Defence Expenditures NATO Definition
1975-76	180	192
1976-77	183	195
1977-78	189	203
1978-79	192	207
1979-80	182	197

(1) In addition to Department of National Defence expenditures this column includes other government departments expenditures which fall within the NATO definition of defence spending, such as:

accommodation, assistance to industry, medical assistance plans, grants in lieu of taxes, etc.

The percentage of defence expenditures outside Canada was as follows:

1975-6	9 per cent
1976-77	11 per cent
1977-78	13 per cent
1978-79	15 per cent
1979-80	18 per cent

2. For 1979-80 exceeding $550 (U.S.)

FEDERAL SALES TAX—EXEMPTION FOR INFORMATION BOOKLETS

Question No. 1,339—**Mr. Cossitt:**

Will the government consider the advisability of introducing legislation to make directories, travel guides and tourist information booklets put out by chambers of commerce and which contain advertising exempt from federal sales tax since they are of a non-profit or charitable nature and, if not, for what reason?

Hon. Pierre Bussières (Minister of State (Finance)): The federal sales tax of 9 per cent is a levy of general application which falls upon most goods. Sales and excise taxes generate a significant portion of government revenues.

The Excise Tax Act does not generally provide exemption from the sales tax on purchases by non-profit or charitable organizations because of the difficulty of identifying persons in those categories.

It would also be difficult to provide sales tax relief for printed advertising matter which is intended to assist the tourist industry without providing similar relief for advertising matter purchased by all other industries. But proceeding in that manner would entail an unacceptable revenue loss.

CANADIAN BANKS—PROFITS

Question No. 1,342—**Mr. Flis:**

1. What percentage of the profits made by Canadian banks are being re-invested into the domestic economy?

2. What percentage is leaving Canada?

Hon. Pierre Bussières (Minister of State (Finance)): In 1979, 67 per cent of the chartered banks' after tax profits were earned on domestic business in Canada and 33 per cent were earned from international business. The banks distributed about 30 per cent of their total profits to shareholders in the form of dividends; since 92 per cent of the banks' shareholders reside in Canada and 8 per cent reside abroad, 27.6 per cent of the banks' profits remained in Canada and 2.4 per cent went abroad.

The 70 per cent of profits not paid out as dividends was reinvested by the banks. Last year, 65 per cent of the banks' assets were related to domestic business and 35 per cent to international business. However, since the banks' international assets are generally funded from non-Canadian sources, the bulk of retained profits was reinvested in Canada.

SOVIET MILITARY ATTACHÉS—TRAVEL TO OTHER PARTS OF CANADA

Question No. 1,345—**Mr. Jelinek:**

1. How many Soviet Military Attachés, restricted to the confines of the national capital region, have asked for special permits to travel in other parts of Canada in the past (a) six months (b) year (c) two years (d) three years (e) five years and what are their names and their position?

2. How many times did each apply and how many applications were (a) approved (b) rejected?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. (a), (b), (c), (d) and (e). See list A.

Names and positions are listed in list B.

2. (a) and (b);

Frequency of application is listed in list A and all travel was approved except for one occasion when two officers to the same destination and in the same time frame were denied permission.

Frequency of Travel Outside Ottawa for Soviet Service Attaches

	Captain Bardeev	Colonel Povetiev	Colonel Alexanian	Lieutenant-Colonel Mishin	Lieutenant-Colonel Vakruschev	Commander Smirnov
Past Six Months	1	0	1	2	8	0
Past Year	9	0	3	7	13	0
Past Two years	18	9	7	17	21	0
Past Three Years	23	22	16	19	21	0
Past Five years	23	22	16	19	21	4

Military Attache Name	Position	Notes
Lieutenant-Colonel V. Mishin	Assistant Air Attaché	Currently at Soviet Embassy
Lieutenant-Colonel V. Vakruschev	Assistant Military Attaché	Currently at Soviet Embassy
Captain I. Bardeev	Military Naval and Air Attaché	Left Canada 29 Jan. 80
Colonel E. Alexanian	Assistant Military Attaché	Left Canada 28 Jan. 80
Colonel V. Povetiev	Assistant Military Attaché	Left Canada in 1978
Commander V. Smirnov	Assistant Naval Attaché	Left Canada in 1977

QUEEN'S SQUARE—DARTMOUTH, N.S.

Question No. 1,347—**Mr. Forrestall:**

1. Do any departments occupy space in Queen's Square, Dartmouth, Nova Scotia, and, if so (a) which ones (b) how many square feet is occupied?

2. Will other departments be moving into the premises and, if so, how many?

3. How many tenders were called for space for departments in the Halifax-Dartmouth area since June, 1969?

4. Will any further tenders be called this year and, if so (a) for what space requirement (b) for which departments or agencies?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. Yes.

(a) Department of Veteran's Affairs Department of Regional Economic Espansion Canadian Labour Relations Board

(b) 3092.4 m² (33,287 sq. ft.) rentable.

2. There is no commitment to locate other government departments into Queen's Square, Dartmouth, Nova Scotia.

3. 15.

4. The Halifax/Dartmouth accommodation plan is now under review and it has not been determined at this date if further tenders will be called this year. However, pending this decision the following tenders are planned.

(a) 7740 m² (83,313 sq. ft.) rentable.

(b) Canadian Employment and Immigration Commission: Halifax South District Office, area 985 m² (10,602 sq. ft.). Halifax South area only (tenders closed).

Environment Canada: area 2855 m² (30,731 sq. ft.) (tenders called)

Public Works Canada: area 3900 m² (41,797 sq. ft.).

MR. ROSS CAMPBELL

Question No. 1,348—**Miss MacDonald:**

1. Did Mr. Ross Campbell leave his position as vice-president of Atomic Energy of Canada International and, if so (a) on what date (b) what are the terms of his pension?

2. Is Mr. Campbell presently employed by the government or any of its agencies, or has he been employed at any time since he retired as vice-president of Atomic Energy of Canada and, if so, what are the terms and conditions of this employment and what remuneration does he or did he receive?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

1. Yes, Mr. Ross Campbell left his position as president of Atomic Energy of Canada Limited-International.

(a) December 31, 1979;

(b) Mr. Campbell is receiving benefits under the Public Service Superannuation Act.

2. Mr. Campbell is presently providing consultant services on a limited basis in the field of international relations to AECL. He is paid on a per diem rate.

CMHC—RURAL AND NATIVE HOUSING PROGRAM—MINTO, N.B.

Question No. 1,350—**Mr. Howie:**

In the fiscal year 1979, were any houses constructed under the Rural and Native Housing Program at Minto, New Brunswick, for CMHC and, if so (a) how many (b) from whom was the land purchased and at what cost, in each case?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

CMHC assisted in financing three units under the Rural and Native Housing Program which were built in Minto, New Brunswick during 1979. Details on the land are as follows:

	Vendor	Price
1 unit—Lake Road	L. Dicarlo	$3,500
1 unit—Lake Road	L. Dicarlo	$3,500
1 unit—New Avon Rd.	T. Thibodeau	$3,000

CMHC—RURAL AND NATIVE HOUSING PROGRAM—NEW BRUNSWICK

Question No. 1,351—**Mr. Howie:**

1. Does CMHC have any houses under construction under the Rural and Native Housing Program at (a) Albrights Corner (b) Newcastle Creek (c) Gary (d) Hoytt, in the County of Sunbury, New Brunswick and, if so (i) how many (ii) from whom was the land purchased and at what cost, in each case?

2. Were public tenders called for the construction of the houses and, if not, for what reason?

3. Were tenders called by invitation and, if so, what persons or firms were invited to bid?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

1(a), (b), (c), (d) and (i);

CMHC has assisted in financing the following units under the Rural and Native Housing Program which are either under construction or proposed:

1 unit at Albrights Corner under construction;

1 unit at Newcastle Creek under construction;

2 units at Geary to be built;

1 unit at Hoytt to be built;

(ii) Details on land are as follows:

	Vendor	Price
1 unit—Albrights Corner	David Jordan	$3,200
1 unit—Newcastle Creek	Brian Glen	$3,500
1 unit—Geary I	A & C Holdings Ltd.	$3,200
1 unit—Geary II	A & C Holdings Ltd.	$3,500
1 unit—Hoytt	Ross Kirkpatrick	$1,500

2. In the case of the units referred to in (1) above, no public tenders were called. During the 1979 building season, little response was received in those cases where a public tender technique was used; the response generally coming from the same two or three large modular construction companies. To

gain participation from smaller local builders, it was decided to seek bids utilizing the invitational method.

3. Invitational bids were received from two construction companies: Williston Homes Ltd. and Carr & Rogers Construction.

RCMP BUILDING—MINTO, NEW BRUNSWICK

Question No. 1,355—**Mr. Corbett:**

1. Is an RCMP building under construction in Minto, New Brunswick and, if so, from whom was the land purchased and at what cost?

2. Did the village of Minto protest the location of the building?

Mr. Paul J. Cosgrove (Minister of Public Works): (1) The Royal Canadian Mounted Police Building is presently under construction in Minto, New Brunswick. Two parcels of land were purchased from two parties, Les Religieuses de Notre Dame du Sacre-Coeur in the amount of $6,500. and Louis and Glenna Dicarlo in the amount of $18,500.

(2) The department received the usual approvals from the town, such as the Subdivision and Building Permits, and is not aware of any protests.

NATIONAL DEFENCE—TRISERVICE UNIFORMS

Question No. 1,361—**Mr. Blenkarn:**

What would be the cost of providing separate distinct uniforms for the Navy, Air Force and Army over and above the cost of supplying one standard uniform for all branches of the service?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): $26,400,000.

CMHC—RRAP AND CHIP PROGRAMS—CONSTITUENCY OF OXFORD

Question No. 1,365—**Mr. Halliday:**

For the fiscal year (a) 1977-78 (b) 1978-79, how many persons in the constituency of Oxford applied for assistance and received monetary assistance under the (i) Residential Rehabilitation Assistance Program (ii) Canadian Home Improvement Program?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

(i) Data on NHA activity are compiled by CMHC on the basis of municipal counties and not on the basis of federal electoral constituencies. In this instance the federal constituency of Oxford consists of the whole of the county of Oxford. There was no activity under the Rehabilitation Assistance Program in this county during the period 1977 to 1979.

(ii) CHIP statistics are available on a provincial basis only.

CANADA COUNCIL—LIST OF ITEMS PURCHASED

Question No. 1,370—**Mr. Cossitt:**

With reference to the supplement to the Canada Council 22nd annual report for 1978-79 which lists a total of $603,300 for the purchase of certain items for the Canada Council art bank along with the names of the artists, what is a complete list and description of the items purchased from each artist including the cost of the item and the Canada Council's plans for its use?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canada Council as follows:

Data concerning each work of the art bank collection is recorded, for working purposes, on a card index. Compiling this information would involve an inordinate amount of staff time and expense. The complete art bank record system is now being computerized so that detailed information of the kind requested by the member will be available in the future.

All works purchased through the art bank are intended for lease to government departments and other non-profit agencies in accordance with established council policy governing the collection.

MOOSEHIDE CREEK—YUKON TERRITORY

Question No. 1,392—**Mr. Schellenberger:**

Did the Department of Indian Affairs and Northern Development give its approval for the staking of placer claims on Moosehide Creek in the Yukon Territory and, if so, will the Department guarantee that the claims will in no way contaminate the domestic water supply of the Moosehide Indian Reserve?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): The staking of claims under the Yukon Placer Mining Act does not require the approval of the department. Section 17 of this act states that any individual 18 years or older may stake claims upon any lands in the territory with the exception of some areas such as national parks and cemeteries.

If it is determined that the band uses Moosehide Creek for domestic purposes, future use of the creek by miners could be licensed under the Northern Inland Waters Act. The terms and conditions would be such as to protect the quality of the water.

CIDA—LATIN AMERICAN WORKING GROUP

Question No. 1,419—**Mr. Blenkarn:**

1. In the past decade, has CIDA given any money to the Latin American Working Group and, if so, how much and for what project(s)?

2. In the past five years, has the International Development Research Centre made any grants to the Latin American Working Group and, if so, how much and for what project(s)?

Hon. Mark MacGuigan (Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned: No.

In so far as the International Development Research Centre is concerned: No.

UNITED STATES EMBASSY IN OTTAWA

Question No. 1,422—**Mr. Cossitt:**

1. Is the Department of External Affairs aware if the United States Embassy in Ottawa has been refusing to accept Canadian postal money orders in United States dollars as payment for various service fees charged by the embassy and (a) if not, will the government investigate the situation (b) if so (i) will the government make public all the reasons that the embassy finds Canadian postal

money orders unacceptable (ii) will the department make representations to have the situation changed?

2. Is the Department aware that the latest incident, as of the date this question was asked, occurred on July 9, 1980?

Mr. Louis Duclos (Secretary of State for External Affairs): 1. The Department of External Affairs can confirm that the United States Embassy in Ottawa does not accept Canadian postal money orders in United States dollars as payment for consular fees.

(a) Not applicable.

(b) (i) It is United States government policy.

(ii) The department will not be making representations to have the situation changed.

2. The U.S. Embassy has advised the department that infrequently instruments of payment are presented that are not accepted. No record is kept of these occasions.

INDIAN CONDITIONS—A SURVEY

Question No. 1,423—**Mr. Greenaway:**

1. What was the total cost of preparing and publishing the Department of Indian Affairs and Northern Development's publication *Indian Conditions—A Survey*, prepared by Mr. R. H. Knox, director general, program support, Indian and Inuit Affairs Program?

2. Were consultants contracted in the preparation of the report and, if so (a) how much was each paid by the department and by any other department or agency (b) what were their names (c) who selected them and by what method?

Hon. C. John Munro (Minister of Indian Affairs and Northern Development):

1. Salaries (term employees)	$ 35,538.40
Administrative expenses:	56,886.41
Contracts:	154,515.45
Total cost:	246,940.26

2. Yes, consultants were contracted as listed below:

(a) and (b)

W. Badcock	$ 11,813.05
M. Giuliani	21,100.40
J. Nicholson	35,000.00
G. Cassidy	7,620.00
Systems Approach Consultants Ltd.	6,980.00
Systems Approach Consultants Ltd.	30,950.00
Nepean Development Consultants	10,500.00
Aerographics	23,054.00
C.R.O.P. Ltd.	6,795.00
DOE—Canada Land Data Systems	703.00
	$154,515.45

All contracts were paid by the Department of Indian Affairs and Northern Development.

(c) Method of selection was as follows:

1. A series of tasks were identified that would require contracting personnel.

2. A short list of names was prepared of suitable individuals based on the recommendations of various components of the Indian Affairs program, including the research and evaluation branches, using criteria including the familiarity with the Indian Affairs Program the experience in the preparation of reports and in the development of government policy, and skills in data analysis and financial analysis.

3. Potential contractors were interviewed.

4. Contracts were agreed based on specific terms of reference identified in relation to each project.

ELDORADO NUCLEAR LTD.—DOMINION BRIDGE CONTRACT

Question No. 1,425—**Mr. Cullen:**

1. Did Dominion Bridge, when bidding on contracts for construction of F-2 cells through C.E. Lummus for Eldorado Nuclear Limited, have the privilege of conforming, after the close of the bid period, to the conditions of the contract?

2. Were the terms and conditions outlined in the "Scope of Work" submitted by a competitor used as a basis for placing an order with Dominion Bridge?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Eldorado Nuclear Limited reports as follows:

1. No. Dominion Bridge was selected after exhaustive analysis of the bid price and technical capability to perform the work in accordance with the specifications and tolerances required in the fabrication of the fluorine cells.

2. No. The "Scope of Work" and in particular the design of the fluorine cells provided by ENL and Lummus Company of Canada Limited was issued to all companies selected to bid on the contract.

CONSTITUENCIES—TOLL CHARGES

Question No. 1,427—**Mr. Halliday:**

1. How many constituencies require the payment of a toll charge to telephone between any two points within the constituency?

2. How many constituencies lie completely within an urban municipal boundary?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. The information requested does not come within the administrative responsibility of the government.

2. Ninety-seven electoral districts lie completely within an urban area as defined in section 11 of the Canada Elections Act, which reads as follows: "an incorporated city or town having a population of five thousand or more". A list of the electoral districts involved is attached.

Urban Electoral Districts

Ontario

Burlington
Hamilton East
Hamilton Mountain
Hamilton West
Lincoln
London East
London West
Mississauga North
Mississauga South
Oshawa
Ottawa Centre

Ottawa—Vanier
Ottawa West
St. Catharines
Sault Ste. Marie
Sudbury
Windsor—Walkerville
Windsor West
York North

Metropolitan Toronto

Beaches
Broadview—Greenwood
Davenport
Don Valley East
Don Valley West
Eglinton—Lawrence
Etobicoke Centre
Etobicoke—Lakeshore
Etobicoke North
Parkdale—High Park
Rosedale
St. Paul's
Scarborough Centre
Scarborough East
Scarborough West
Spadina
Trinity
Willowdale
York Centre
York East
York—Scarborough
York South—Weston
York West

Québec

Langelier
Laprairie
Longueuil
Louis-Hébert
Québec-Est
Sherbrooke

Island of Montreal and île Jésus

Bourassa
Dollard
Duvernay
Gamelin
Hochelaga—Maisonneuve
Lachine
LaSalle
Laurier
Laval
Laval-des-Rapides
Mercier
Mount Royal
Notre-Dame-de-Grâce
Outremont
Papineau
Rosemont
Saint-Denis
Saint-Henri—Westmount
Saint-Jacques
Saint-Léonard—Anjou
Sainte-Marie
Saint-Michel
Verdun

New Brunswick

Saint John

Manitoba

St. Boniface
Winnipeg—Assiniboine
Winnipeg—Fort Garry
Winnipeg North Centre
Winnipeg—St. James

British Columbia

Burnaby
New Westminster—Burnaby
Richmond—South Delta
Surrey—White Rock—North Delta
Vancouver Centre
Vancouver East
Vancouver Kingsway
Vancouver Quadra
Vancouver South
Victoria

Alberta

Calgary Centre
Calgary East
Calgary North
Calgary South
Calgary West
Edmonton East
Edmonton North
Edmonton South
Edmonton Strathcona
Edmonton West

DSS—CONTRACTS OVER $10,000

Question No. 1,441—**Mr. Rose:**

1. How many contracts over $10,000 were let during the fiscal year 1979-80 and what was their total value?

2. How many $10,000 plus contracts were awarded to firms operating in British Columbia and what was their total value?

Hon. J.-J. Blais (Minister of Supply and Services):

1.	No. of Contracts	Total Value $000
	24,405	2,576,558

2.	No. of Contracts	Total Value $000
	1,902	106,278

DAY-CARE CENTRES—ONTARIO

Question No. 1,448—**Mr. Flis:**

Did any day-care centres in Ontario apply to the government in (a) 1978 (b) 1979 for a charitable tax number in order to issue receipts for income tax deductions and, if so (i) how many (ii) by month and number of applications, how much time did it take to process the application?

Hon. William Rompkey (Minister of National Revenue): While a number of daycare centres in Ontario have been registered as a charity for purposes of the Income Tax Act during 1978 and 1979, the requested statistical data is not available. Statistics on the numbers of applications received and dealt with are maintained, but a breakdown by particular type and geographic area is not compiled.

The time taken by the officials of the department to process applications during the period in question fluctuated between six and ten weeks and depended on the volume of applications being received and the complexity of the application. The department adheres to a policy of processing applications in the order they are received and registration is normally retroactive to the date of incorporation or start of operations.

POST OFFICE—NISKU, ALBERTA

Question No. 1,452—**Mr. Schellenberger:**

Does the government have any plans to expand the post office facilities at Nisku, Alberta in 1980 and (a) if so, what are such plans (b) if not, is any action planned for 1981?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Yes.

(a) and (b).

Approval was given in the latter part of 1979 for a new or improved facility in Nisku. It is on Public Works' priority list and they are in the process of negotiating for improved premises at this time.

SOVIET UNION WAR VETERANS

Question No. 1,455—**Mr. Cossitt:**

1. Is the government aware that there are a certain number of Soviet Union war veterans who are now residents of Canada but who are not eligible for war pensions because the USSR cut off such pensions when they left the country and, if so, what is the estimated number?

2. Is it a requirement that such allied veterans must live in Canada for 10 years before being considered for any war veterans allowance benefits and, if so (a) will the government give immediate consideration to reducing the 10 year limit to 3 years or less (b) what would be the estimated cost to the government if this extra financial expense was permitted and is it in the neighbourhood of only $250,000 maximum per year?

3. Is it government policy to consider that war veterans of the USSR served as allies with Canada during the second world war and in particular, that those who have emigrated to Canada and become landed immigrants and in many cases Canadian citizens, are worthy of consideration for benefits?

Hon. Gilles Lamontagne (Acting Minister of Veterans Affairs): 1. Yes, we are aware that there are a number of Soviet Union war veterans residing in Canada. It is estimated that they are 110 in number.

In accordance with section 50 of the Pension Act, disabled veterans of the armed forces of any of our wartime allies must have been domiciled in Canada at the date of the commencement of World War II to be eligible for any Canadian disability pension benefit.

2. Yes.

(a) No consideration is being given at the present time to reduce the residency requirement. In 1950 the government made provision which extended the definition of "veteran" to include those allies who had resided in Canada for 20 years. In 1960 this was reduced to ten years. This ten-year requirement also exists in similar income support programs such as Old Age Security and Guaranteed Income Supplement.

(b) A change in the residency requirement for this group would necessitate changing it for all allied veterans and as we have no means of determining how many allied veterans would be affected, we are unable to determine the cost of such a change.

3. Any allied veteran, including veterans of the U.S.S.R., who have completed ten years of residency in Canada and who have never served in the enemy forces in World War II, can be considered for benefits under the War Veterans Allowance Act.

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